CONNECTICUT DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

LEGISLATIVE SUMMARY
2009

M. Jodi Rell
Governor

Joan McDonald
Commissioner

QUI TRANSTULIT SUSTINET

LEGEND

AAC	"An Act Concerning…"
CCCT	"CT Commission on Culture and Tourism"
CDA	the "Connecticut Development Authority"
CHFA	the "Connecticut Housing Finance Authority"
CII	"Connecticut Innovations, Inc."
Commissioner	Unless otherwise defined, is the Commissioner of DECD
CTSB	"Connecticut Transportation Strategy Board"
DECD	the "Department of Economic and Community Development"
Department	"DECD"
DEP	the "Department of Environmental Protection"
DHE	the "Department of Higher Education"
DOT	the "Department of Transportation"
DPH	the "Department of Public Health"
DPW	the "Department of Public Works"
DSS	the "Department of Social Services"
DSR	the "Division of Special Revenue"
DRS	the "Department of Revenue Services"
HB	"House Act"
JSS	"June Special Session"
LLC	"limited liability company"
MAA	the "Manufacturing Assistance Act"
MME	"Manufacturing Machinery and Equipment"
OPM	the "Office of Policy and Management"
OWC	the "Office of Workforce Competitiveness"
PA	"Public Act"
SA	"Special Act"
SB	"Senate Act"
SSS	"September Special Session"

Sources of Information

The following summaries have been compiled from the Office of Legislative Research and Office of Fiscal Analysis and tailored specifically for the Department of Economic and Community Development. Only Public Acts affecting, or of interest to, the Department are included in this summary.

For Further Information

For more in-depth explanations, information on other Public Acts, or questions on legislative intent, please contact:

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2009

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AN ACT CONCERNING DEFICIT MITIGATION FOR THE FISCAL YEAR ENDING JUNE 30, 2009

EFFECTIVE DATE: Upon passage, unless otherwise specified.

SUMMARY: This act makes various changes to address the projected FY 09 deficit. It:

1. reduces, from $10 million to $2 million, the amount the governor is required to reduce in the cost of personal services and consulting agreements;

2. for the remainder of FY 09, enhances the governor's authority to transfer between appropriated accounts; and

3. makes other minor and technical changes.

4. makes a minor change in the personal and consulting services reduction requirement to require the Office of Policy and Management (OPM) secretary rather than the governor to take action to reduce costs and

Sections 3 & 25 FY 07 Surplus Funds Carry Forwards

The act reduces amounts carried forward from the FY 07 surplus and available for FY 09 by $3,050,000 as shown in Table 1.

Table 1: Reduced Carryforwards for FY 09

Sections	Agency	For	Current	Proposed	Reduction
3 (a)	Public Works	Upgrades to 61 Woodland Street	$1,000,000	0	$1,000,000
3 (a) & 25	Economic and Community Development	Biofuels production grants	3,650,000	$2,600,000	1,050,000
3 (a) & (g)	Department of Education	School Safety	3,000,000	2,000,000	1,000,000

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Biofuels	[4,650,000]
	3,600,000
Deferred Maintenance for Public Housing	10,000,000
Home CT	4,000,000
AGENCY TOTAL	[18,650,000]
	17,600,000

COMMISSION ON CULTURE AND TOURISM

Nathan Hale Homestead	250,000
Bushnell Memorial	2,000,000
Fairfield Arts Council	150,000
Hartford Arena Study	250,000
AGENCY TOTAL	2,650,000

(a) The unexpended balance of funds appropriated to the Department of Economic and Community Development, for Biofuels, in section 21 of public act 07-1 of the June special session, as amended by this act, shall continue to be available for expenditure for such purpose during the fiscal year ending June 30, 2009, as follows: (1) The sum of [$3,650,000] $2,600,000 shall be available for production grants, and (2) the sum of $1,000,000 shall be available for the fuel diversification research grant program.

(b) The Department of Economic and Community Development may enter into one or more agreements, pursuant to chapter 55a of the general statutes, for the distribution of grants under subsection (a) of this section or the operation of the program under subdivision (2) of said subsection.

Sections 30 & 31 Housing Fund Transfers

The act transfers funds from an FY 09 appropriation to the Department of Economic and Community Development deferred maintenance for housing. It redirects $1,704,890 of the appropriates to tax abatements for low- and moderate-income housing and $2,204,000 to payments in lieu of taxes for such housing on property owned or leased by housing authorities or the Connecticut Housing Finance Authority.

Section 501 Governor's Fund Transfer Authority

For FY 09 only, the act allows the governor, at an agency's request, to transfer money between budgeted agencies if the agency does not have enough money to achieve the lapse required under a provision of PA 08-1, November 24th Special Session. Current law permits the governor to make transfers only within budgeted agencies. The November act (Section 4) required the governor to direct agencies to lapse no more than an aggregate of $1.5 million in additional funds from Other Expense accounts in FY 09. This act allows the governor to transfer the amount needed to achieve the directed lapse. She must have Finance Advisory Committee (FAC) approval for (1) transfers over $50,000 or 10% of an appropriation, whichever is less, or (2) $1.5 million dollars in total.

As under current law, the Appropriations Committee through the Office of Fiscal Analysis must be sent notice of any such transfer.

Section 29 (Effective from passage)

The sum of $1,704,890 appropriated to the Department of Economic and Community Development in section 21 of PA 07-1 of the June special session, as amended by this act, for Deferred Maintenance for Housing, is transferred to Tax Abatement, and such funds shall be available for expenditure during the fiscal year ending June 30, 2009, for the program established under subsection (a) of section 8-216 of the general statutes.

Section 30 (Effective from passage)

The sum of $2,204,000 appropriated to the Department of Economic and Community Development in section 21 of PA 07-1 of the June special session, as amended by this act, for Deferred Maintenance for Housing, is transferred to Payment in Lieu of Taxes, and such funds shall be available for expenditure during the fiscal year ending June 30, 2009, for the program established under subsection (b) of section 8-216 of the general statutes.

Public Act# 09-2 **HB# 6602**

AN ACT CONCERNING DEFICIT MITIGATION MEASURES FOR THE FISCAL YEAR ENDING JUNE 30, 2009

EFFECTIVE DATE: Various

SUMMARY: This act makes various changes to reduce a projected General Fund deficit for FY 09. It:

1. increases the aggregate amount transferred from non-appropriated funds and accounts to the General Fund for FY 09 by $20 million, from $200 million to $220 million;

2. requires the Appropriations Committee to report on its recommended transfers from non-appropriated funds and accounts to the House and Senate minority leaders as well as to the House speaker and Senate president pro tempore;

3. requires the General Assembly to vote on a act containing the Appropriations Committee's recommended transfers from non-appropriated funds and accounts by June 30, 2009; and

COMMISSION ON CULTURE AND TOURISM	
Personal Services	100,000
Other Expenses	7,500
AGENCY TOTAL	107,500
COMMISSION ON CULTURE AND TOURISM	
Nathan Hale Homestead	250,000
Bushnell Memorial	2,000,000
Fairfield Arts Council	150,000
Hartford Arena Study	250,000
AGENCY TOTAL	2,650,000
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	
Biofuels	3,600,000
Deferred Maintenance for Public Housing	10,000,000
Home CT	4,000,000
AGENCY TOTAL	17,600,000

Section 9 (Effective from passage)

(a) There is established a Commission on Enhancing Agency Outcomes that shall identify functional overlaps and other redundancies among state agencies and promote efficiency and accountability in state government by identifying ways to eliminate such overlaps and redundancies and by making such other recommendations as the commission deems appropriate, with the goal of reducing costs to the state and enhancing the quality and accessibility of state services. The commission shall also consider the merging of state agencies such as (1) the Departments of Mental Health and Addiction Services and Social Services, and (2) the Connecticut Commission on Culture and Tourism, portions of the Office of Workforce Competitiveness and the Department of Economic and Community Development to further the goals of the commission.

Section 2 Transfers from Non-Appropriated Funds

The act transfers $220 million from non-appropriated funds and accounts to General Fund revenue for FY 09. The amounts must be transferred before June 30, 2009, based on the recommendations of the Appropriations Committee.

The act requires the committee to review all non-appropriated funds and accounts and report its recommendations for transferring an aggregate of at least $220 million of all or some of the account balances. Each agency must, by March 11, 2009, report information the Appropriations Committee requires and in the manner it requires. The committee chairpersons must report to the Senate president pro tempore, the House speaker, and the Senate and House minority leaders by March 25, 2009.

The General Assembly must vote on an act containing the committee's recommendations by June 30, 2009.

Section 9 Commission on Enhancing Agency Outcomes

The act establishes a Commission on Enhancing Agency Outcomes to consider merging state agencies such as (1) the departments of Mental Health and Addiction Services and Social Services and (2) the Connecticut Commission on Culture and Tourism, portions of the Office of Workforce Competitiveness, and the Department of Economic and Community Development.

Membership

The commission consists of the following 17 members:

1. the chairpersons and ranking members of the Government Administration and Elections (GAE) and Appropriations committees;

2. the secretary of the Office of Policy and Management, or his designee;

3. two members each appointed by the president pro tempore of the Senate and the House speaker;

4. one member each appointed by the majority leaders of the Senate and the House of Representatives; and

5. one member each appointed by the minority leaders of the Senate and the House.

In addition, the chairpersons and ranking members of the legislative committee having cognizance of an agency under consideration are ex-officio, non-voting members of the commission during the review of such agency.

Members of the General Assembly may be appointed and serve on the commission; and all appointments must be made within seven days after passage of the act. The appointing authority must fill any vacancy. No commission members receive compensation.

Under the act, the GAE chairpersons serve as chairpersons of the commission and must schedule the first meeting within 14 days after passage of the act. The administrative staff of the GAE committee and nonpartisan staff serve as the commission's administrative staff.

Responsibilities

The commission must determine if there are agency duplications or functional overlaps and make other recommendations it considers appropriate. It must identify agency efficiencies that could (1) reduce costs to the state and (2) increase the quality of services and access to and delivery of services. It must report its findings and recommendations to the governor, House speaker, and Senate president pro tempore by July 1, 2009. The commission is terminated under the act when it submits its report or on July 1, 2009, whichever is later.

The act requires the commissioners and heads of the departments and agencies under consideration to provide in a timely way the testimony, data, and other requested information or materials the commission requires for its review and deliberations.

Section 27 Repealers (Effective Date: April 1, 2009)

Technology Pilot Program

The act eliminates a pilot program for using technology in providing computer-assisted writing, instruction, and testing for public school students in grades six through 12.

Current law allows the education commissioner to provide grants to boards of education and regional vocational-technical schools for demonstration projects. Grant funds may be used for computer hardware and software, professional development, technical consulting assistance, and other related activities. The commissioner must select a diverse group of pilot program participants based on population, geographic location, and school or district economic characteristics.

Weatherization Program for Low-Income Households

The act repeals a $2 million appropriation from the FY 08 surplus to fund a weatherization program for low-income households that participate in the Connecticut energy assistance program. The program, administered by the Department of Social Services, is required to gives priority to helping households with incomes below 200% of the federal poverty level and to coordinate assistance with weatherization assistance programs for low-income households administered by the municipal electric utilities and utility companies under programs overseen by the Energy Conservation Management Board and the Fuel Oil Conservation Board.

Public Act# 09-12 **HB# 6716**

AN ACT CONCERNING CLEAN WATER PROJECTS, THE STATE FISCAL STABILIZATION FUND AND THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

EFFECTIVE DATE: Upon passage

SUMMARY: The American Recovery and Reinvestment Act of 2009 (ARRA) (P. L. 111-5) created the State Fiscal Stabilization Fund from which funds will be appropriated to governors to help stabilize state and local government budgets. Federal law requires states to submit detailed comprehensive grant applications to the U. S. Department of Education (U. S. DOE) to access the funds. This act requires the governor to submit her application to the Appropriations, Education, and Higher Education and Employment Advancement committees. She must do this at least fourteen days before she submits the application to U. S. DOE. It requires the committees to hold a public hearing on the application within seven days after receiving it. The governor, or her designee, must present testimony on the details of the application at the hearing.

The law authorizes the Department of Environmental Protection (DEP) commissioner to use money in the Clean Water Fund's water pollution control federal revolving loan account to provide financial assistance to municipalities to build eligible water quality projects and for other purposes authorized under the federal Clean Water Act. By law, money in the account may only be used in specific ways. The act allows the treasurer to also transfer this money to the water pollution control state account to meet federal subsidization requirements.

The law similarly allows money in the Clean Water Fund's drinking water federal revolving loan account to be used in specific ways to provide financial assistance for the construction of eligible Department of Public Health (DPH) -approved drinking water projects and for other federally authorized purposes. The act allows the DEP and DPH commissioners to also provide additional forms of subsidization, including grants, principal forgiveness, negative interest loans or combinations of these, if permitted by federal law and made according to a legally authorized project funding agreement.

BACKGROUND

Clean Water Fund

The Clean Water Fund provides financial assistance to municipalities to plan, design, and build wastewater collection and treatment projects. The fund consists of five accounts:

1. the Water Pollution Control State account,

2. the Federal Revolving Loan account,

3. the Long Island Sound Clean-up account,

4. the River Restoration account, and

5. the Drinking Water Revolving Fund account.

Public Act# 09-14 **SB# 880**

AN ACT CONCERNING TRADE WITH AFRICA

Effective: October 1, 2009

The Act requires the Commissioner of Economic and Community Development to conduct a three-year study of programs initiated, conducted and coordinated by the Department of Economic and Community Development that promote and assist Connecticut businesses with international trade with African countries with whom the United States has diplomatic relations. In each of the three years of such study, the commissioner shall focus on four different countries in Africa.

On or before July 1, 2010, July 1, 2011, and July 1, 2012, the commissioner shall report to the joint standing committee of the General Assembly having cognizance of matters relating to commerce on the results of each phase of such three-year study undertaken. Each report shall include statistics on the progress of the department and a description of the implementation of such programs.

***See PA 09-7 (SSS) section 50 amends to *within available appropriations*.**

Public Act# 09-19 **HB# 5930**

AN ACT REQUIRING SMALL BUSINESS IMPACT ANALYSES FOR PROPOSED REGULATIONS

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act requires any state agency proposing a regulation to identify how it affects small businesses (i.e., small business impact analysis) and include the analysis as part of the fiscal note it must submit to the Regulations Review Committee. The law already requires agencies to determine if a proposed regulation adversely affects small businesses, which the act redefines as those employing 75 rather than 50 employees and, if it does, to consider other less burdensome ways to achieve the regulation's goal (i.e., regulatory flexibility analysis). The act does not define “small business” for the small business impact analysis.

Before adopting a regulation, the act requires agencies to notify the public about how to obtain copies of the small business impact and regulatory flexibility analyses. The agencies must also notify the Commerce Committee about the regulation if they believe it could adversely affect small businesses, and the committee must help agencies prepare the flexibility analysis. Agencies must already notify the Department of Economic and Community Development about proposed regulations that could adversely affect small businesses, and the department must help them prepare the analysis.

Under the act, a proposed regulation does not take effect until the agency submits the regulatory flexibility analysis to the Regulations Review Committee. The law already specifies that the regulation does not take effect until the agency gives the committee the original proposed regulation, as approved by the attorney general, and 18 copies.

SMALL BUSINESS IMPACT ANALYSIS

Scope

By law, agencies must prepare and attach a fiscal note to a proposed regulation when they submit it to the Regulations Review Committee. The fiscal note must include the regulation's cost and revenue impact on the state or any municipalities. The act requires agencies to prepare the fiscal note either before or at the same time as, rather than after, publishing the regulation's public notice. It also requires that the fiscal note include an estimate of the regulation's cost or revenue impact on the state's small businesses, including the (1) estimated number of small businesses that would have to comply with the regulation and (2) how much it would cost them to do so. Costs include reporting, recordkeeping, and administration. The law already requires the agency to include the regulatory flexibility analysis in the fiscal note, which it must also submit to the committee.

Public Notice

The act requires agencies to inform the public about how it can obtain copies of the small business impact and regulatory flexibility analyses before adopting a regulation. (The act contains an incorrect statutory reference regarding the small business impact analyses). They must include this information in the notice advising the public of their intent to adopt regulations. By law, agencies must publish this notice in the *Connecticut Law Journal* at least 30 days before adopting a regulation.

REGULATORY FLEXIBILITY ANALYSES

The law requires agencies to determine if a proposed regulation adversely affects small businesses and, if it does, to prepare a regulatory flexibility analysis to consider ways to minimize the impact and still accomplish the regulation's purpose without compromising public health, safety, and welfare. The act specifies that the regulatory methods must be consistent with public health, safety, and welfare. And it makes a technical change.

The act requires agencies to include the regulatory flexibility analysis in the regulation's official record.

By law, agencies do not have to prepare regulatory flexibility analyses for emergency regulations, those indirectly affecting small businesses, or certain other types of regulations.

Small Business Definition

Under prior law, independently owned and operated businesses with fewer than 50 full-time employees or gross sales under $5 million were considered small businesses. The act increases this threshold to 75 employees. By law, agencies may set a higher full-time employee threshold if

necessary to meet or address specific small business needs and concerns. The limit cannot exceed the applicable federal standard or 500 employees, whichever is less.

Public Act# 09-25 **HB# 6462**

AN ACT CONCERNING CERTIFIED PAYROLLS

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act requires contractors and subcontractors working on state and municipal construction projects to submit their certified payrolls to the contracting agency by first-class, postage-prepaid mail. Prior law required these employers to submit their payrolls, but did not specify how. By law, failure to file a certified payroll that meets the requirements set in the prevailing wage law for state and municipal projects is a class D felony.

BACKGROUND

Prevailing Wage and Certified Payroll

By law, certified payrolls must include a statement signed by the employer indicating: (1) records are correct, (2) the wage rate paid to each covered employee is at least the prevailing wage rate, (3) the employer has complied with the prevailing wage law, (4) the employer is aware that knowingly filing a false certified payroll is a class D felony, and (5) several other requirements are met. Covered employees include each person performing the work of a mechanic, laborer, or worker.

Public Act# 09-33 **HB# 6190**

AN ACT CONCERNING CONFIDENTIALITY OF CERTAIN EMPLOYER DATA

EFFECTIVE DATE: October 1, 2009

SUMMARY: The unemployment compensation act requires employers to provide the Labor Department with employee information that must be kept confidential from everyone but department employees. There are exceptions to this under specific confidentiality agreements with regional workforce development boards as a part of their duties under the federal Workforce Investment Act.

This act permits the department to make such information available to a private entity under contract with the U. S. Department of Labor (U. S. DOL) to administer grants that benefit the state Labor Department. It requires the private entities to enter into the same confidentiality agreements that the law requires of the regional workforce development boards.

RELEASE OF CERTAIN EMPLOYMENT RECORDS

By law, employers must keep accurate employment records which contain information that the unemployment compensation administrator prescribes and must be available for his inspection. The

department must keep confidential any information that would reveal the employee's or employer's identity.

The act allows the department to disclose the information to a private entity under contract with U. S. DOL if the private entity first enters into the same type of confidentiality agreement that state law requires of the workforce boards.

SAFEGUARDS TO PROTECT CONFIDENTIALITY

Under the act, each agreement must contain safeguards to protect the information's confidentiality. The safeguards must include:

1. a statement from the private entity of the purposes and specific use of the information along with a statement that it will only be used for these purposes;

2. a requirement that the entity store the information in a location that is physically secure from unauthorized access and, when the information is maintained electronically, in a way that prevents this access;

3. a requirement that the entity establish procedures to ensure that only authorized individuals have access to information stored in computers;

4. a requirement that the entity also enter into written agreements, which the department must approve, with its authorized agents extending the requisite safeguards contained in its agreement with the department;

5. a requirement that the entity instruct all people with access to the information about the legal sanctions and require each employee and agent authorized to review the disclosed information to acknowledge in writing that they have been advised of the sanctions;

6. a statement that re-disclosure of the information is prohibited unless the department approves it in writing;

7. a requirement that the entity dispose of the information, including copies the entity makes, after it has served its purpose either by returning it to the department or verifying that the information has been destroyed;

8. a statement that the entity must permit the department's representatives to conduct periodic audits, including on-site inspections, to review the entity's adherence to these provisions; and

9. a statement that the entity will reimburse the department for costs it incurs in making the information available and conducting the audits.

Under the act, an entity's employees or agents violating these provisions may be fined up to $200, imprisoned for up to six months, or both. And they are banned from any further access to confidential information.

The law, which is unchanged by the act, allows the department to make disclosures to public employees in the performance of their duties and subjects violators to identical penalties.

Public Act# 09-40 **SB# 251**

AN ACT CONCERNING HOUSING DEVELOPMENT IN ENTERPRISE ZONES

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act eliminates the option community development organizations previously had to use Department of Economic and Community Development (DECD) grants to build or rehabilitate either decent or affordable rental or owner-occupied housing in enterprise zones. It instead specifies that the organizations may use the grants to build or rehabilitate housing only for low- and moderate-income people.

BACKGROUND

Low and Moderate-Income

Housing for low- and moderate-income people typically refers to residences for people earning 80% or less of area median income (AMI), with low-income referring more specifically to those earning 60% or less of AMI.

Community Development Grants

The law requires DECD to establish a financial assistance program for job development and creation, neighborhood revitalization, and business stability and development promotion in enterprise zones. DECD's commissioner must solicit applications from community development organizations (which the statute does not define) located in enterprise zones to operate the programs. Applicants must indicate a strategy to achieve neighborhood economic development in the zone.

Under the law, the commissioner must contract with and provide grants within available funds to qualified community development organizations. The organizations may provide grants, loans, or deferred loans to eligible applicants. The law requires the DECD commissioner to set criteria for eligible applicants and activities.

Enterprise Zones

The law explicitly authorizes fifteen enterprise zones, all of which have been designated. It also authorizes the designation of additional zones under narrow criteria, and two of these have been designated. The municipalities with enterprise zones are: Bridgeport, Bristol, East Hartford, Groton, Hamden, Hartford, Meriden, Middletown, New Britain, New Haven, New London, Norwalk, Norwich, Southington, Stamford, Waterbury, and Windham.

By law, these zones offer generally the same types of incentives—property tax exemptions and corporation business tax credits. In most cases, to receive an incentive, a business must improve property and create new jobs.

Public Act# 09-55 **SB# 963**

AN ACT CONCERNING THE CONNECTICUT BUSINESS CORPORATION ACT

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act eliminates appraisal rights for the holders of shares of any class or series of shares that is issued by an open-end management investment company registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 and may be redeemed at the holder's option at net asset value. It also requires shareholders asserting appraisal rights to certify that they did not consent to the underlying transaction that created the appraisal right. It requires additional information to be provided to shareholders where any corporate action that triggers appraisal rights is to be approved by written consent of the shareholders instead of by a meeting. The act allows electronic transmissions to be used to consent to an action, if they contain or are accompanied by, information from which the corporation can determine the date on which they were signed and were authorized by the shareholders or their agents or attorneys-in-fact.

The act requires corporations to deliver, instead of mail, annual financial statements to each shareholder within 120 days after the close of each fiscal year. It specifies that any delivery of financial statements by electronic transmission must be in a manner the shareholder authorizes. The act specifies that a public corporation may satisfy its requirements by delivering the specified financial statements, or otherwise making them available, in any manner permitted by the applicable SEC rules and regulations.

With certain exceptions, the act authorizes a public corporation to adopt a bylaw that allows its directors to be elected by a "more votes for than against" system, under which a director who does not receive more votes for than against his or her election, but still wins a plurality of votes, may only serve for 90 days as a director.

The act allows a corporation to deliver one copy of a written notice, any other report or statement required by the Business Corporation Act, the certificate of incorporation, or the bylaws to all shareholders who share a common address under certain circumstances.

The act limits shareholder suits for judicial dissolution of a corporation to private, as opposed to publicly traded, corporations; eliminates the court's duty to dissolve under certain circumstances; and permits the court to do so under other circumstances.

The act establishes a definition of "expenses" for the Business Corporation Act, defining them as reasonable expenses of any kind that are incurred in connection with a matter, including reasonable attorney's fees.

The act also makes technical and conforming changes.

BACKGROUND

Appraisal and Payment Rights

By law, a shareholder is entitled to have his shares appraised and to obtain payment of the fair value for those shares, in the event of any of the following corporate actions:

1. a merger to which the corporation is a party if (a) shareholder approval is required for the merger by law and the shareholder is entitled to vote on the merger, except that appraisal rights are not available to any shareholder with respect to shares of any class or series that remain outstanding after the merger is consummated or (b) the corporation is a subsidiary and the merger is governed by the law that controls the merger of a domestic parent corporation and a domestic or foreign subsidiary (CGS Sections 33-818);

2. a share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the exchange, except that appraisal rights are not available to any shareholder of the corporation with respect to any class or series of shares of the corporation that is not exchanged;

3. a disposition of assets leaving no significant business activity (see CGS Sections 33-831) if the shareholder is entitled to vote on the disposition;

4. an amendment of the certificate of incorporation with respect to a class or series of shares that reduces the number of shares of a class or series owned by the shareholder to a fraction of a share if the corporation has the obligation or right to repurchase the fractional share so created; or

5. any other merger, share exchange, disposition of assets, or amendment to the certificate of incorporation to the extent provided by the certificate of incorporation, the bylaws, or a resolution of the board of directors.

Public Act# 09-61 **SB# 885**

AN ACT CONCERNING THE TAX INCREMENTAL FINANCING PROGRAM

EFFECTIVE DATE: Upon passage

SUMMARY: This act extends the sunset dates for two Connecticut Development Authority (CDA) programs that provide bond financing for large-scale development projects. Both programs use the new or incremental tax revenues the projects generate to repay the bonds (i.e. tax increment financing). Prior law prohibited CDA from approving new projects under the programs on or after July 1, 2010. The act extends the sunset date to July 1, 2012. It also makes a technical change.

The programs use different tax revenues to fund different types of projects. One uses incremental property tax revenues to repay the bonds issued for projects that clean up and redevelop contaminated

property or involve the use of information technologies. The other uses incremental hotel, sales, dues, cabaret, and admission tax revenues to repay bonds issued for projects that create jobs or stimulate significant business activity.

Public Act# 09-70 **SB# 710**

AN ACT CONCERNING UPDATES TO THE FAMILY AND MEDICAL LEAVE ACT

EFFECTIVE DATE: Upon passage

SUMMARY: This act permits an employee to take unpaid family and medical leave (FML) to care for an immediate family member or next of kin who is a current member of the U.S. military, National Guard, or the reserves with a serious illness or injury received in the line of duty. The employee may take up to 26 weeks of unpaid leave if the family member is:

1. undergoing medical treatment, recuperation, or therapy;

2. otherwise in outpatient status; or

3. on the temporary disability retired list for a serious injury or illness.

The act provides for 26 weeks of leave over a 12-month period under the private-sector FML law and 26 weeks of leave over a two-year period under the state-employee law. Under both private and state employee provisions, the employee's leave is permitted for a related armed forces member per serious injury or illness incurred in the line of duty. Under the private-sector law, the 12-month period begins on the first day of military caregiver leave.

The act incorporates the new military caregiver leave into existing provisions of FML laws for private sector and state employees regarding written certification of medical need, intermittent leave, and other items.

The act specifies that leave taken pursuant to private-sector FML does not run concurrently with a transfer to "light duty" work in lieu of regular work duties under the Workers' Compensation Act.

MILITARY CAREGIVER LEAVE

Eligibility and Definitions

The act sets conditions under which a spouse, son or daughter, parent, or next of kin may take unpaid military caregiver leave under state FML law. It allows them to do so if the immediate family member or next of kin is a member of the Army, Navy, Marine Corps, Coast Guard, and Air Force and any reserve component, including the Connecticut National Guard performing duty as provided under federal law (CGS Sections 27-103).

It also defines "son or daughter" as a biological, adopted, foster child, stepchild, legal ward, or a child for whom the eligible employee or armed forces member stood in loco parentis and who is any age.

It defines “next of kin” as the service member's nearest blood relative, other than his or her spouse, parent, or child, in the following order of priority:

1. blood relatives who have been granted legal custody of the service member by court decree or statutory provisions,

2. siblings,

3. grandparents,

4. aunts and uncles, and

5. first cousins.

If the service member has designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave, then the designated individual must be deemed the member's next of kin.

Job Protection for Military Leave Caregivers

As with employees taking leave under the existing family and medical leave laws, the act requires the employer to restore the military caregiver to his or her previous position or an equivalent one.

Conditions or Requirements for Military Caregiver Leave

Private-Sector FML Changes. Military caregivers are treated, for the most part, like other employees taking unpaid leave under the existing private-sector FML. This means:

1. an eligible employee may elect or eligible employer may require the employee to substitute any accrued paid vacation leave, personal leave, or family leave for any part of the 26-week unpaid leave available to care for a service member;

2. when medical treatment is planned and foreseeable, the employee must make reasonable efforts to schedule treatment so as not to unduly disrupt the employer's operations;

3. when both spouses are eligible for leave and work for the same employer, the leave is limited to an aggregate of 26 weeks during any 12-month period;

4. the employer may require a certification issued from the service member's health care provider and the employee must provide this to the employer in a timely manner;

5. intermittent leave or leave on a reduced schedule is allowed and requires, as part of the certification, a statement that the employee's intermittent leave is necessary to care for the service member;

6. an employer may assign an employee on intermittent leave or reduced schedule to a job of equal pay and benefits that better accommodates the recurring periods of leave; and

7. the intermittent leave or leave on a reduced schedule certification must include the expected leave duration and the schedule of the intermittent leave or reduced schedule.

State Employee FML Changes

The following provisions are part of the existing state employee FML and the act makes them part of the state employee military caregiver leave. It:

1. requires prior written certification for the leave from the service member's physician, including the probable leave duration, and

2. requires the employee taking leave, before leave begins, to sign a statement of the employee's intent to return to work.

BACKGROUND

Interaction with Federal FML Law

Under federal law, if an employee meets the qualifications of both the state and the federal FML acts, the employer is obligated to provide the more generous of the two benefits.

The National Defense Authorization Act for FY 2008 (Public Law 110-181) amended the federal FML act to allow eligible employees to take up to 26 weeks of job-protected leave in a single 12-month period to care for a covered service member with a serious injury or ailment. This law covers both the private and public sectors.

Public Act# 09-80 **HB# 6463**

AN ACT CONCERNING MEMBERSHIP ON REGIONAL PLANNING AGENCIES

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act increases the membership of regional planning agencies' (RPAs) boards, which consist entirely of municipal representatives. RPAs operate in five of the state's 15 planning regions. Under prior law, each municipality belonging to an RPA was entitled to at least two board representatives. The act increases that number to three by making each municipality's chief elected official (CEO) or his or her designee a board member. As under prior law, municipalities with over 25,000 people are entitled to one additional representative for each additional 50,000 people or fraction thereof. They may elect or appoint their respective representatives.

The act similarly increases the number of board representatives for cities and boroughs located within a town. The law entitles a city or borough to a representative if at least half of the town's total population resides there and its boundaries are not coterminous with those of the town. Prior law

entitled the town and the city or borough to one representative each. The act entitles the city or borough to an additional representative and allows one of these representatives to be its CEO or his or her designee. The act also increases the town's representatives to two, but it allows, rather than requires, one of these to be the town's CEO or his or her designee.

The act does not change the rule entitling the town or the city or borough to an additional representative. The rule applies if their combined population exceeds 25,000. In this case, either of these jurisdictions is entitled to an additional representative for each additional 50,000 people, depending whether they reside inside or outside the city or borough.

RPAs operate in five of the state's 15 planning regions. They are Central Connecticut RPA, Connecticut River Estuary RPA, Greater Bridgeport RPA, Midstate RPA, and Southwestern Connecticut RPA.

Public Act# 09-83 **HB# 6640**

AN ACT INCREASING THE PENALTY FOR FOREIGN CORPORATIONS AND OTHER ENTITIES THAT TRANSACT BUSINESS OR CONDUCT AFFAIRS IN THIS STATE WITHOUT AUTHORITY

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act increases, from $165 to $300, the penalty that the secretary of the state can impose on a foreign business entity for each month or part of one that it conducts business in the state without the required certificate or registration to do so. This applies to foreign stock and non-stock corporations, limited partnerships, limited liability companies, registered limited liability partnerships, and statutory trusts. By law, the secretary cannot impose this penalty if the foreign business entity gets the required certificate within 90 days of starting to transact business in the state.

By law, these entities are also liable to the state for fees and taxes that would have been imposed had they applied for and received the required certificate, and all interest and penalties for failing to pay them, for each year or part of one that they transact business in the state without a certificate. The secretary can levy the penalties, and the attorney general can sue to recover them and to prohibit the entity from continuing to conduct business in the state.

Public Act# 09-87 **SB# 922**

AN ACT CONCERNING AFFIRMATIVE ACTION AND CONTRACTING PROCEDURES FOR THE METROPOLITAN DISTRICT OF HARTFORD COUNTY

EFFECTIVE DATE: October 1, 2009, except for the authorization for the SCSB to adopt regulations governing MDC procurement, which takes effect January 1, 2010.

SUMMARY: This act requires the Metropolitan District Commission (MDC) to comply with state policies governing hiring and promoting people and procuring goods and services. The MDC is a nonprofit municipal corporation operating largely under its own policies and procedures. The act

requires MDC to comply with the same affirmative action laws that apply to state agencies, departments, boards, and commissions (i.e., agencies).

Under these laws, the attorney general or his designee must represent state agencies in discrimination complaints filed with the Connecticut Commission on Human Rights and Opportunities (CHRO) or the federal Equal Employment Opportunity Commission (EEOC). The act prohibits him or his designee from representing MDC in a discrimination complaint before these commissions.

The act also requires the State Contracting Standards Board (SCSB) to adopt regulations MDC must follow to procure goods and services. In doing so, it must consider the circumstances and factors that set MDC apart from state agencies.

BACKGROUND

Metropolitan District Commission [MDC]

MDC is a nonprofit municipal corporation providing water and sewer service in the Hartford area. It operates primarily under a 1929 special act charter and answers to a 29-member commission consisting mostly of municipal representatives. The charter allows MDC to:

1. create, maintain, improve, and operate a water system;

2. impound water in and outside of the district's territorial limits;

3. transport water and sell it at retail;

4. build, maintain, and improve sewers and sanitary systems and sewage disposal plants;

5. build, maintain, and improve public highways;

6. collect and dispose of garbage and refuse;

7. build, maintain, improve, and operate hydroelectric dams in and outside the district;

8. transmit and distribute the power produced by these dams to electric utilities or municipalities;

9. establish and maintain active recreational and educational facilities, including a golf course managed on a for-profit basis (although these powers apply only to non-reservoir lands in Glastonbury and Manchester);

10. take property by eminent domain;

11. enter into interlocal agreements with municipalities; and

12. exercise a variety of financial powers, including assessing and collecting taxes, borrowing money and pledging the district's credit, issuing bonds, and assessing benefits and damages in the layout of any public improvement.

State Contracting Standards Board [SCSB]

PA 07-1, September Special Session, established the SCSB as an independent executive branch agency authorized to adopt procurement regulations and review, monitor, and audit state procurement processes. The governor and legislative leaders appoint its 14 members.

The board can exercise any procurement-related right, power, duty, and authority vested in or exercised by any state contracting agency. It must oversee procurement practices and train and oversee agencies' procurement and contracting officers. It must audit contracting agencies at least once every three years and may review, terminate, or recommend terminating a contract or procurement agreement for cause.

Vetoed by Governor 6/8/09, Veto overruled 7//20/09

Public Act# 09-89 **HB# 5536**

AN ACT CONCERNING INTEREST ON CHARGES FOR SEWER SYSTEM EXPANSION

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act allows a water pollution control authority (WPCA) to assess, in substantially equal installment payments over a period of up to 30 years, the cost of a sewer system whose acquisition, construction, or expansion is financed from the municipality's general reserves. It also allows the municipality to charge a reasonable rate of interest on such assessments. It requires the WPCA to have the town clerk where the assessed property is located place a certificate on the land records indicating the assessment.

By law, these provisions apply to the acquisition and construction of systems financed by municipal bonds. The act explicitly extends these provisions to systems expanded through bonding.

By law, a certificate must be filed on the land records of property subject to sewer assessments. Under prior law, the town clerk had to cancel or remove the certificate within seven days after the last installment was paid or the total assessment was paid off. The act instead requires the tax collector to prepare a release of certificate and record the release on the land record under these circumstances.

Public Act# 09-92 **HB# 5873**

AN ACT CONCERNING THE AUTHORITY OF PLANNING COMMISSIONS TO APPROVE MUNICIPAL ROAD IMPROVEMENTS

EFFECTIVE DATE: July 1, 2009

SUMMARY: This act specifies the type of infrastructure project a municipality may implement without first requesting the planning commission's (or combined planning and zoning commission's) recommendations. By law, a municipal agency or legislative body cannot start a proposed infrastructure or public works project without seeking the commission's recommendations. But the law also exempts them from having to do so when maintaining or repairing existing property or public ways. The act extends this exemption to road resurfacing projects.

BACKGROUND

Planning Commission Review of Municipal Projects

The law requires municipal agencies and legislative bodies to submit proposed infrastructure and public works projects to the planning commission for recommendations. This requirement also applies to real estate transactions for specific purposes, such as abandoning roads, public buildings, or other municipal property. It also applies to improvements made to existing property, including bridges, terminals, and public buildings.

The municipality may implement these actions if the commission approves them or submits no recommendations within 35 days after receiving the project proposal. The municipality may still implement the project if the commission disapproves the proposal, but a two-thirds vote of the municipality's legislative body must approve it.

Public Act# 09-93 **SB# 973**

AN ACT CONCERNING THE DEFINITION OF MEDIAN INCOME IN ENTERPRISE ZONES FOR ASSESSMENT PURPOSES

EFFECTIVE DATE: Upon passage

SUMMARY: This act changes the criterion under which property owners qualify for a property tax exemption when they improve homes, apartments, condominiums, and other types of residential property in the state's 17 enterprise zones. By law, municipalities must exempt a portion of the property's assessed value attributed to the improvements over seven years.

Property owners who improve rental units or convert them into condominiums must rent or sell them, respectively only to people meeting an income criterion. Under prior law, they had to rent or sell the units to people earning no more than 200% of the municipality's median family income. Under the act, property owners must rent or sell the units to people earning no more than 200% of the median income for the area in which the municipality is located, as determined by the U. S. Department of Housing and Urban Development (HUD).

BACKGROUND

Enterprise Zone Property Tax Exemptions

The law requires municipalities to grant two types of property tax exemptions to taxpayers in enterprise zones who improve their properties. They must exempt 80% of the assessed value of newly constructed or improved factories, warehouses, banks, and other specified property for five years. The state reimburses municipalities for this revenue loss.

Municipalities must also exempt a portion of the assessed value of other types of property, but under a different schedule. Homes, apartments, stores, offices, and other types of property ineligible for the five-year, 80% exemption, qualify for a seven-year exemption. The exemption is 100% of the improvement's assessed value in the first two years, drops to 50% in the third, and declines by 10% per year in each of the remaining four years. The state does not reimburse municipalities for this revenue loss.

HUD Area Median Income

HUD annually determines median family income for metropolitan and nonmetropolitan areas based on census data. It uses this data to determine whether someone is eligible for housing or housing assistance under many different programs. According to the census, a family consists of two or more people related by birth, marriage, or adoption and residing together. One member of this group is the "householder," the person in whose name the housing unit is owned, rented or maintained.

Public Act# 09-106 **HB# 6186**

AN ACT PROTECTING THE INTEGRITY OF CONN-OSHA INVESTIGATIONS

EFFECTIVE DATE: October 1, 2009

SUMMARY: By law, a state or local public employee who notifies the labor commissioner of a potential occupational safety and health violation or situation with an imminent threat of danger of physical harm may ask to have his or her name removed from any record published, released, or made available regarding the potential violation or danger. This act gives the same right to an employee whose name is not part of the original complaint notice, but who at any time provides information to the commissioner regarding the potential violation or danger.

Under the state Occupational Safety and Health Act (OSHA), once the commissioner receives such a notice she may enter the workplace for an inspection without advance notice. Also, she may compile, analyze, and publish, in either summary or detail form, all reports of information obtained under this provision.

By law, the commissioner must adopt regulations necessary to carry out her responsibilities under the state OSHA. Under the act, the provision regarding the right of an employee not named in the original complaint to remain anonymous must be included in the regulations. Also, the act specifies the regulations must be in accordance with state OSHA and the Uniform Administrative Procedure Act (UAPA).

BACKGROUND

Uniform Administrative Procedure Act [UAPA]

The UAPA requires agencies to publish notice of intent to adopt a regulation. These agencies must also give prior notice to each legislative committee of cognizance of the proposed regulation. Agencies must send these committees copies of the regulations and their fiscal notes. The regulations are deemed valid as long as at least one committee is notified and receives copies of the regulation and fiscal note.

Two approvals are required before a regulation may become effective. The attorney general must approve it for "legal sufficiency," meaning it does not conflict with the law and has been prepared in compliance with the UAPA. Within 180 days of publishing the notice of intent, an agency must submit the regulation to the Legislative Regulation Review Committee. That bipartisan committee must review all proposed regulations. After the committee approves a regulation, the agency files two certified copies with the Office of the Secretary of the State for publication.

Public Act# 09-111 **SB# 1167**

AN ACT CONCERNING A STATE DEFICIT MITIGATION PLAN FOR THE FISCAL YEAR ENDING JUNE 30, 2009

EFFECTIVE DATE: Upon passage

SUMMARY: This act reduces the projected state General Fund deficit for FY 09 by:

1. reducing FY 09 General Fund appropriations for several agencies and programs by a total of $22,903,120;

2. reducing FY 09 appropriations from the Special Transportation Fund by $6,492,122;

3. transferring $128,677,027 from special funds and non-appropriated accounts to the General Fund as revenue for FY 09; and

4. transferring $2.2 million from the OPEB (other post-employment benefits) Teachers' Fund to the retirees health service cost account within the Teacher's Retirement Board in the General Fund for FY 09.

In addition, the act authorizes the state treasurer to transfer the unspent proceeds from transportation-related general obligation (GO) bonds to either the General Fund or the Special Transportation Fund, instead of just to the latter. As under prior law, the act allows such a transfer only if (1) the bond commission approves, (2) it will not harm the federal tax exemption for the bond interest, and (3) the debt service on the bonds is covered by the Special Transportation Fund. It also authorizes the treasurer, with the State Bond Commission's approval and prior to June 30, 2009, to transfer $4,964,477 from GO Bonds for Transportation Bond Fund 13004 to General Fund revenue for FY 09.

Finally, to allow the state to transfer $7.5 million from the state treasurer's Debt Service Retirement Fund SCRF (special capital reserve fund) account to the General Fund for FY 09, the act eliminates a law requiring the state to credit to a debt retirement reserve account all payments it receives to settle lawsuits related to financing backed by a SCRF and requiring the credited amounts to be available to the treasurer to prevent a draw on the SCRF.

(20) The sum of $53,499 shall be transferred from the international trade account, Department of Economic and Community Development, and credited to the resources of the General Fund for the fiscal year ending June 30, 2009.

(21) The sum of $210,762 shall be transferred from the Tourism account, Department of Economic and Community Development, and credited to the resources of the General Fund for the fiscal year ending June 30, 2009.

(22) The sum of $150,095 shall be transferred from the CT Economic Impact and Analysis account, Department of Economic and Community Development, and credited to the resources of the General Fund for the fiscal year ending June 30, 2009.

(23) The sum of $15,746 shall be transferred from the Center for Manufacturing Networks at CCSU account, Department of Economic and Community Development, and credited to the resources of the General Fund for the fiscal year ending June 30, 2009.

(93) The sum of $650,000 shall be transferred from the dry cleaning establishment remediation administrative account, Department of Economic and Community Development, and credited to the resources of the General Fund for the fiscal year ending June 30, 2009.

Public Act# 09-141 **SB# 271**

AN ACT CONCERNING FLOODPLAIN MANAGEMENT AND MILL PROPERTIES

EFFECTIVE DATE: Upon passage

SUMMARY: By law**,** the Department of Environmental Protection (DEP) Commissioner must approve or exempt certain state agency actions proposed in or affecting floodplains. An agency proposing a nonexempt activity or critical activity in or affecting a floodplain must certify to the commissioner, among other things, that it will promote long-term, nonintensive floodplain uses and has utilities located to discourage floodplain development.

This act exempts from this requirement proposals to use a mill located on a brownfield if the proposing agency demonstrates that the activity (1) is subject to state environmental remediation regulations, (2) is limited to the area of the property where mill uses have historically occurred, and (3) complies with the National Flood Insurance Program (NFIP). In addition, an agency proposing a critical activity must show that it is above the 500-year flood elevation. (A 500-year flood has a 1-in-500 chance (0. 2%) of occurring in a given year)

BACKGROUND

Activity and Critical Activity

An "activity" is a proposed state action in a floodplain or that affects natural or man-made storm drainage facilities located on property the commissioner determines is under state control (CGS Section 25-68b (1)). A "critical activity" is an activity, including treating, storing and disposing of hazardous waste; and the siting of hospitals, housing for the elderly, schools or homes in the 0. 2% floodplain in which the commissioner determines that a slight chance of flooding is too great (CGS Section 25-68b (4)).

Flood Management Program

In deciding whether to approve a proposed action in or affecting a floodplain, DEP must consider, among other things, if the action (1) will pose a flood hazard to human life, health, or property; (2) is consistent with NFIP and local floodplain requirements; and (3) promotes long-term nonintensive floodplain uses (CGS Sections 25-68b to- 68n).

National Flood Insurance Program

The NFIP enables property owners in participating communities to purchase insurance as a protection against flood losses in exchange for state and community floodplain management regulations that reduce future flood damages. Participation in the NFIP is based on an agreement between communities and the federal government (44 CFR Section 59).

Brownfield

By law, a brownfield is an abandoned or underused site where redevelopment and reuse has not taken place because of the presence, or potential presence, of pollution in the buildings, soil, or groundwater that requires remediation before or along with its restoration, redevelopment, and reuse (CGS Section 32-9kk (1)).

Public Act# 09-148 **HB# 6600**

AN ACT CONCERNING THE ESTABLISHMENT OF THE SUSTINET PLAN

EFFECTIVE DATE: July 1, 2009, except that the sections on identifying uninsured adults and children (Sections 14 and 15) and Medicaid and public education outreach (Section 13) take effect July 1, 2011, and the three task forces (Sections 16-18) take effect upon passage.

SUMMARY: This act establishes a nine-member SustiNet Health Partnership board of directors that must make legislative recommendations, by January 1, 2011, on the details and implementation of the "SustiNet Plan," a self-insured health care delivery plan. The act specifies that these recommendations must address:

1. establishment of a public authority or other entity with the power to contract with insurers and health care providers, develop health care infrastructure ("medical homes"), set reimbursement rates, create advisory committees, and encourage the use of health information technology;

2. provisions for the phased-in offering of the SustiNet Plan to state employees and retirees, HUSKY A and B beneficiaries, people without employer sponsored insurance (ESI), people with unaffordable ESI, small and large employers, and others;

3. guidelines for development of a model benefits package; and

4. public outreach and methods of identifying uninsured citizens.

The board must establish a number of separate committees to address and make recommendations concerning health information technology, medical homes, clinical care and safety guidelines, and preventive care and improved health outcomes. The act also establishes an independent information clearinghouse to provide employers, consumers, and the general public with information about SustiNet and private health care plans.

Finally, the act creates task forces addressing obesity, tobacco usage, and the health care workforce.

Section 14 Identification of the Uninsured

The board, in collaboration with state and municipal agencies, must, within available appropriations, develop and implement recommendations to identify uninsured individuals. Such recommendations may include:

1. the Department of Revenue Services modifying state income tax forms to ask taxpayers to identify existing health coverage for each household member;

2. the Department of Labor modifying its unemployment insurance claims forms to ask about applicants' and their dependent's health insurance status; and

3. hospitals, community health centers, and other health care providers identifying uninsured individuals who seek health care and transmitting such information to the board.

Section 15 Identifying Uninsured Children

The act directs the social services and education commissioners to consult with the board in their existing obligation to jointly establish procedures for sharing data from the National School Lunch Program to identify income eligible children for enrollment in or HUSKY A and B. And it permits these procedures to cover enrollment in the SustiNet Plan.

Section 16 Obesity Task Force

The act creates a task force to study childhood and adult obesity. It must examine evidence-based strategies for preventing and reducing obesity and develop a comprehensive plan that will result in a reduction in obesity.

The task force includes the following members:

1. a representative of a consumer group with expertise in childhood and adult obesity, appointed by the House speaker;

2. two academic experts in childhood and adult obesity, one each appointed by the Senate president pro tempore and the governor;

3. two representatives of the business community with expertise in the subject, one each appointed by the House majority and minority leaders; and

4. two health care practitioners with expertise on the topic, one each appointed by the Senate majority and minority leaders.

The legislative appointees may be members of the General Assembly.

The commissioners of Public Health, Social Services, and Economic and Community Development, and a representative of the SustiNet board are ex-officio, non-voting members. Appointments must be made within 30 days after the act's passage. Vacancies are filled by the appointing authority. The members appointed by the House speaker and the Senate president pro tempore serve as chairpersons. The first meeting must be held within 30 days after the act's passage. The Public Health Committee staff serves as the task force's administrative staff.

By July 1, 2010, the task force must report to the Public Health, Human Services, and Appropriations committees and the SustiNet board. The task force terminates when the report is submitted or January 1, 2011, whichever is later.

Section 17 Tobacco Use Task Force

The act establishes a task force to study tobacco use by children and adults. It must examine evidence-based strategies for preventing and reducing tobacco use and develop a comprehensive plan to reduce in tobacco use. Its members are as follows:

1. a representative of a consumer group with expertise in tobacco use by children and adults, appointed by the House speaker;

2. two academic experts in the field, one each appointed by the Senate president pro tempore and the governor;

3. two representatives of the business community with expertise on the topic, one each appointed by the House majority and minority leaders; and

4. two health care practitioners with expertise in the field, one each appointed by the Senate majority and minority leaders.

These task force members may be legislators, except for the governor's appointee.

The commissioners of Public Health, Social Services, and Economic and Community Development, and a representative of the SustiNet board are ex-officio, non-voting members. Appointments must be made, vacancies filled, and meetings held as described for the obesity task force. The chairpersons are the members appointed by the House speaker and the Senate president pro tempore.

By July 1, 2010, the task force must report to the Public Health, Human Services, and Appropriations committees. It terminates when it submits the report or January 1, 2011, whichever is later. The Public Health Committee staff serves as administrative staff.

Section 18 Health Care Workforce Task Force

The act establishes a task force to study the state's health care workforce. It must develop a comprehensive plan for preventing and remedying statewide, regional, and local shortages of necessary medical personnel. Its members are as follows:

1. a representative of a consumer group with expertise in health care, appointed by the House speaker;

2. one academic expert on health care workforce, appointed by the Senate president pro tempore;

3. one academic expert in health care, appointed by the governor;

4. two representatives of the business community with expertise in health care, one each appointed by the House majority and minority leaders; and

5. two health care practitioners, one each appointed by the Senate majority and minority leaders.

The commissioners of Public Health, Social Services, and Economic and Community Development, the president of UConn, the chancellors of the Connecticut State University System and the regional Community-Technical Colleges, and a representative of the SustiNet board are ex-officio, non-voting members. Members, except for the governor's appointee, can be legislators. Appointments must be made, vacancies filled, and meetings held as described above for the previous two task forces. The chairs are the members appointed by the House speaker and the Senate president.

The Public Health Committee staff serves as administrative staff for the task force. The task force must report by July 1, 2010 to the Public Health, Human Services, and Appropriations committees. The task force terminates as described above.

Vetoed by Governor 7/8/09, Veto overruled 7/20/09

Public Act# 09-165 **SB# 6466**

AN ACT CONCERNING PROJECTS OF REGIONAL SIGNIFICANCE

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act requires each regional planning organization (RPO) to establish a voluntary process for applicants to state or local agencies, departments, or commissions to request a pre-application review of proposed projects of regional significance. There are three types of RPOs: regional councils of governments, regional councils of elected officials, and regional planning agencies. Under the act, a project of regional significance is an open air theater, shopping center, or other development to be built by a private developer that is planned to create more than (1) 500,000 square feet of indoor commercial or industrial space, (2) 250 housing units in a one-to-three-story building, or (3) 1,000 parking spaces.

The act requires the RPO process to determine the components of the review. These components must include a procedure to assure that all relevant municipalities and regional and state agencies provide the applicant with (1) preliminary comment on the project, in a form determined by the agency; (2) summaries of each agency's review process; and (3) an opportunity for the applicant to discuss the project with representatives of each relevant municipality or state agency at a meeting convened by the RPO. At least one representative from each relevant municipality and each state agency, department, or commission must participate in the project's a review at the RPO's request at a meeting convened for this purpose. This requirement applies if the RPO notifies each agency, department, or commission of the meeting at least three weeks in advance. An RPO cannot convene more than one meeting for a particular project in any quarter of a calendar year. The act does not prevent two or more RPOs from convening joint meetings to carry out the act.

The results or information obtained from the pre-application review cannot be appealed under any provision of the statutes and are not binding on the applicant or any authority, commission, department, agency, or other official having jurisdiction to review the proposed project.

The RPO must prepare a report of the agencies' comments reviewing the proposal and give a copy of the report to the applicant and each reviewing agency.

Public Act# 09-172 **SB#972**

AN ACT CONCERNING CONNECTICUT INNOVATIONS, INCORPORATED

EFFECTIVE DATE: July 1, 2009

SUMMARY: By law, Connecticut Innovations, Inc. (CII) must file an annual report on its financial assistance programs that has certain information about the companies receiving financial assistance, including each company's gross revenue for its most recent fiscal year. This act requires CII to report gross revenue only for companies that make the information public in the normal course of business. It requires CII to report the gross revenues of other companies separately while concealing their names and identities. This must be consistent with the law that already exempts from the Freedom of Information Act financial and credit information and trade secrets applicants submit.

The act allows the governor and chairpersons and ranking members of the Finance, Revenue and Bonding and Commerce committees, after a request to CII, to examine the detailed report data in confidence, including the specific revenue data for each identifiable business included in the report. It

allows the committee chairpersons and ranking members to disclose the data to other committee members and requires that they also keep the data confidential.

Public Act# 09-173 **HB# 5875**

AN ACT AUTHORIZING SPECIAL DISTRICTS TO MAINTAIN WATER QUALITY IN LAKES, STATE LAND WHERE HUNTING IS PERMITTED, THE ESTABLISHMENT OF A MARINE WATERS FISHING LICENSE AND THE TAKING OF SHELLFISH IN WESTPORT

EFFECTIVE DATE: Upon passage, except for provisions concerning (1) marine fishing licenses, which are effective June 15, 2009, and (2) special water quality districts, which are effective October 1, 2009.

SUMMARY: This act:

1. creates a recreational saltwater (marine sport) fishing license and fees, extends requirements similar to those for inland (freshwater) fishing, and adds marine licensing exceptions;

2. sets a baseline for the amount of state land available for hunting;

3. limits the use of marine sport fishing and hunting license fees to fish and game preservation and related activities; and

4. increases the fine, from $25 to $75, and eliminates prison as a potential penalty, for illegally taking shellfish from the shores, beaches, and flats at "Saugatuck Shores" in Westport.

The act also expands the purposes for which residents may establish special taxing districts to include maintaining the water quality of a lake located solely in one town. The law allows residents to establish districts providing a wide range of public services and infrastructure, including collecting trash and constructing and maintaining drains and sewers. Under the act, residents must comply with the special district statutes when establishing, organizing, and operating a district for lake maintenance. Once established, the act allows the district to apportion assessment for this purpose equally among property owners.

The act makes technical and conforming changes.

MARINE SPORT FISHING LICENSE

The act establishes, with certain exceptions, a marine sport fishing license for anyone over age 16 who takes, attempts to take, or assists in taking any fish or bait species in the marine district by any method or who lands marine fish and bait species in the state, regardless of where the fish or bait species are taken (e.g., anadromous fish species, such as striped bass, swim from saltwater to freshwater to spawn). The law requires a recreational license for inland (freshwater) fishing and a commercial license for commercial fishing in the marine district.

Under the act, the marine sport license fee is $10 for residents and $15 for nonresidents. The Department of Environmental Protection (DEP) commissioner may issue people age 65 and older who have been state residents for at least one year an annual marine waters fishing license for free. The act requires town clerks to keep a $1 recording fee for each marine waters fishing license they issue.

Exceptions

The act creates several exceptions to the marine sport fishing license requirement. The following people do not have to have a license:

1. people rowing a boat or operating the motor of a boat from which other people are taking or attempting to take fish;

2. anyone fishing as a passenger on a registered party, charter, or head boat operating solely in the marine district; and

3. state residents participating in a fishing derby that the DEP commissioner authorized in writing if, (a) no fees are charged for the derby, (b) it lasts one day or less, and (c) it is sponsored by a nonprofit civic service organization. These organizations are limited to one derby in any calendar year.

One Day, No License

Additionally, the DEP commissioner may designate one day in each calendar year when no license is required for sport fishing in the marine district.

Reciprocity

By law, Massachusetts, Rhode Island, and New York residents may fish for free in certain Connecticut waters without a nonresident license, if their state allows the same (reciprocal) privilege for Connecticut citizens. The act specifies that this law refers to inland waters that lie both in Connecticut and the reciprocating state. It also creates a reciprocal arrangement for such licenses should Maine, Massachusetts, New Hampshire, New York, or Rhode Island enact reciprocal laws or regulations for marine water fishing licenses. Under the act, as under current law, residents of other states are subject to other applicable federal or state fishing laws under any reciprocal agreements.

The act also allows any nonresident who resides in the other New England states or New York to obtain this marine license for the same fee or fees as a Connecticut resident if he or she is a resident of a state that has a reciprocal provision that extends the same privilege to Connecticut residents.

STATE LAND AVAILABLE FOR HUNTING

The act prohibits the DEP commissioner from reducing the amount of state land in one location where hunting is permitted without providing for an equal amount of land elsewhere in the state (i.e., no net loss of state land where hunting is permitted). The act establishes a baseline of state land where hunting is permitted as not less than the percentage of such land as of July 1, 2008. (It is not clear how, in certain instances, DEP would know that hunting areas had been lost. For example, new

construction on private land bordering state land where hunting is permitted would prohibit hunting in the vicinity.)

USE OF HUNTING AND MARINE FISHING LICENSE FEES

The act prohibits diverting hunting license fees for any purpose other than implementing the DEP's charge to protect, propagate, preserve, and investigate fish and game and its administration. It extends to fees from the marine sport fishing license the law's requirement that the DEP commissioner use fishing license fees only for the protection, propagation, preservation, and investigation of fish and game and administration of the department's related functions.

Public Act# 09-181 **HB# 5254**

AN ACT CONCERNING EXTENDING THE TIME OF EXPIRATION OF CERTAIN LAND USE PERMITS

EFFECTIVE DATE: Upon passage

SUMMARY: This act gives developers more time to complete an ongoing project without seeking re-approval. When a planning and zoning commission or an inland wetlands agency approves a project, it must set an expiration date. Consequently, a developer must complete the project before that date or resubmit it to the commission for approval. The expiration date must fall within the timeframes the law specifies. The timeframes vary depending on the commission and the nature of the project.

The act extends the timeframes for projects commissions approved between July 1, 2006 and July 1, 2009. Under prior law, the timeframes ranged from within two to five years for projects in wetlands to 10 years for large-scale residential and commercial projects. In some cases, prior law allowed commissions to extend the timeframes for up to 10 years from a project's approval date.

The act's timeframes apply to all projects except large-scale residential and commercial projects approved based on a site plan, which is a tool used to determine if a proposed project conforms to the zoning regulations. The new timeframes range from six to 11 years after a project's approval date. In some cases, the act allows zoning and planning commissions to extend a six-year timeframe to 11 years after the project's approval. Its extensions do not apply for large-scale housing and business development projects approved based on site plan. The act also allows wetlands agencies to extend a permit's expiration date for up to 11 years.

PROJECT COMPLETION DEADLINES

The act extends the initial and extended expiration deadlines that apply to subdivisions, wetlands permits, and relatively small-scale site plans that were approved between July 1, 2006 and July 1, 2009, inclusive. The table below highlights this change.

Public Act# 09-183 **HB# 6502**

AN ACT CONCERNING THE STANDARD WAGE FOR CERTAIN CONNECTICUT WORKERS

EFFECTIVE DATE: July 1, 2009

SUMMARY: This act creates a new method for determining the hourly wage and benefits for employees under the standard wage law, which governs compensation for employees of private contractors who do building and property maintenance, property management, and food service work in state buildings. Under the act, such employees will receive the same prevailing wage rates and prevailing benefits as employees working under the union agreement covering the same type of work for the largest number of hourly nonsupervisory employees, as long as it covers at least 500 employees, in Hartford County.

This ties the state pay and benefits for standard wage workers to those provided under the private sector union contract that meets the act's criteria (At least one union contract meets the criteria; see background). If there is no private sector contract that meets the act's criteria, then the law's current standard wage rate will apply.

The new wages and benefits affect standard wage contract workers hired after July 1, 2009. Those already working for standard wage employers on or before July 1, 2009 will be paid an hourly wage based on the current standard wage law, but after July 1, 2009 their benefits will be the same as those working under a Hartford County union contract for the same type of work.

The act requires a new contractor that takes over an existing building service to keep the employees from the predecessor contract for at least 90 days after the date it begins service under the successor contract and permits it to fire them only for cause. This provision does not apply to employees who worked less than 15 hours a week or who were employed at the worksite for less than 60 days.

If an employee performs satisfactorily during the 90-day period, the successor contractor must offer him or her continued employment for the contract's duration under the terms and conditions of the successor contractor or as required by law.

The act excludes people with disabilities or disadvantaged people working in the janitorial work pilot program under contracts with no more than four full-time workers from the provision requiring employees to be hired by a new contractor taking over a predecessor contract. This appears to apply whether the people under the janitorial pilot program work for the new contractor taking over a predecessor contract or for the predecessor contractor when the new contractor takes over. The act also exempts employees under the janitorial work pilot program from the requirement that the standard wage be considered their minimum wage.

BACKGROUND

Standard Wage Law

This law requires contractors that provide the state or its agents with building cleaning or maintenance; or food, property, or equipment services to pay their employees at least the standard wage rates as the commissioner determines. It also (1) prescribes how contracting agents inform potential bidders of standard wage rates to be met in preparing a contract proposal; (2) requires covered employers to maintain records of each employee's wages, hours, and classification and to make these records available to the contracting agent; (3) establishes penalties for filing a false certified payroll and fines for failing to pay the required rate; and (4) authorizes the labor department to investigate complaints and enforce the law.

Vetoed by Governor 7/2/09, Veto overruled 7/20/09

Public Act# 09-184 **HB# 5821**

AN ACT CONCERNING ECONOMIC DEVELOPMENT PROJECTS, IN-STATE MICRO BUSINESSES AND THE STANDARD WAGE

EFFECTIVE DATE: July 1, 2009, except that the authorization regarding state-licensed engineers takes effect October 1, 2009.

SUMMARY: This act allows certain state-licensed engineers to certify to permitting agencies that economic development projects comply with all state permitting requirements and specifies the professional criteria they must meet before they can do so. But the act does not indicate if the agency funding the project, the project's developer, or the agency issuing the permit must approve the engineer. Nor does it state if the permitting agency must issue the permit when the engineer certifies compliance.

The act authorizes a maximum 10% state bid preference for businesses that purchase goods or services from a business whose gross revenue in the most recently completed fiscal year does not exceed $3 million (i.e., “micro businesses”). The administrative services commissioner may grant the preference when determining the lowest qualified bidder on all open market orders or contracts. Existing law already authorizes the same preference for businesses selling specific types of products and requires state agencies to set aside contracts for exclusive bidding by small and minority-owned businesses.

Lastly, the act amends PA 09-183 that requires, among other things, a business taking over a state building service contract to retain the people hired under the prior contract for at least 90 days. The law imposes a similar requirement on businesses taking over a food and beverage service contract at Bradley International Airport from another business. This act exempts Bradley food and beverage contracts from PA 09-183's requirement.

CERTIFYING ECONOMIC DEVELOPMENT PROJECTS

Eligible Engineers

The act authorizes certain state-licensed engineers to certify that an economic development project complies with state permitting requirements. The authorization applies to people who are educated or

receive practical training in mathematics, physical science, and engineering principles to work as engineers. Their work may include consulting, investigating, evaluating, planning, designing, or supervising construction projects related to public or privately owned structures, buildings, machines, equipment, processes, or works. The projects must affect the public welfare or present the need to safeguard life, public health, or property.

Eligible Projects

The act's certification option is available for four types of economic development projects. The first type includes many traditional economic development uses, such as manufacturing, industrial, research, office, product warehousing and distribution, and hydroponic or aquaponic food production facilities. These uses qualify for permit certification if the Connecticut Development Authority (CDA) determines they will maintain or create jobs; maintain or increase the tax base; or maintain, expand, or diversify industry.

A wide range of environmental quality projects also qualifies for permit certification. Eligible projects include controlling, abating, preventing, or disposing of land, water, air, and other environmental pollution, including thermal, radiation, sewage, wastewater, solid waste, toxic waste, noise, or particulate pollution. They do not include new resources recovery facilities used mainly to process municipal solid waste.

Alternate energy and energy conservation projects involving commercial or industrial applications qualify for permit certification. They include projects using cogeneration technology or solar, wind, hydro, biomass, or other renewable energy sources.

Lastly, permit certification is also available to any type of project that improves the capacity of the state's economy to generate new wealth. CDA must first determine if the project will create or retain jobs, promote exports, encourage innovation, or support the state's economic base in other ways.

MICRO BUSINESS BID PREFERENCE

The act extends the current maximum 10% bid preference to businesses that purchase goods or services from micro businesses. Existing law allows the DAS commissioner to grant the preference when purchasing goods made with recycled materials or that can be recycled or remanufactured, if doing so would promote recycling or remanufacturing. She can also grant the preference for motor vehicles using clean alternative fuels or that can use both these fuels and conventional ones.

Existing law also requires state agencies to set aside contracts for exclusive bidding by small businesses. A business qualifies for set-aside bidding if it grossed no more than $15 million in the most recently completed fiscal year and meets other specified criteria.

Public Act# 09-186 **HB# 6649**

AN ACT CONCERNING THE PROGRAMS AND ACTIVITIES OF THE DEPARTMENT OF TRANSPORTATION

EFFECTIVE DATE: Various

SUMMARY: The act makes numerous changes to laws governing the operations of the Department of Transportation (DOT). It:

1. authorizes the executive director of the State Traffic Commission to certify copies of documents and records (Section 1);

2. modifies the methods DOT must use to advertise for consultant services (Section 2);

3. permits DOT to sell property acquired for potential use as the route 7 expressway between Danbury and Norwalk (Section 3);

4. prohibits DOT from starting any phase of the Stamford Transportation Center parking garage demolition project unless it makes alternative parking spaces available nearby (Section 4);

5. requires DOT to study the feasibility of providing commuter bus service to the Bridgeport train station (Section 5);

6. requires DOT to provide copies to the Transportation Committee of any reports required under the American Recovery and Reinvestment Act (ARRA) (Section 6);

7. prohibits a town from terminating, reorganizing, or modifying a port authority or port district without the DOT commissioner's written consent (Section 7);

8. requires DOT to (a) develop a plan to implement zero-emission buses throughout the state and identify locations for hydrogen refueling stations and (b) analyze the potential impact of establishing electronic tolls in Connecticut (Sections 8 & 13);

9. establishing a process for mediation for certain types of property sold by DOT because it is no longer necessary for highway purposes (Section 9);

10. exempts certain types of wheelchair accessible taxi vehicles from DOT regulations on accessibility (Section 10);

11. exempts wreckers towing vehicles in certain situations from maximum length and gross weight limits (Section 11);

12. authorizes an East Lyme boy scout troop to conduct an annual Labor Day weekend coffee stop at the Waterford weight station if certain conditions are met (Section 12);

13. designates commemorative or memorial names for 17 road segments and 11 bridges, designates informational signs for eight destinations, and modifies or changes several other memorial names (Sections 14-52, 56-58);

14. requires DOT to adopt regulations for designating "control cities" on Interstate Highways (Section 53); and

15. amends a provision of SB 735 of the current session (Section 55).

Section 7 Termination, Reorganization, or Modification of a Port District or Port Authority

The act requires a town to get the written consent of the transportation commissioner before it:

1. terminates or reorganizes a port district established by the town's legislative body pursuant to state law or a port authority appointed by the town's chief elected official pursuant to the law;

2. modifies the duties or powers of a port authority; or

3. modifies the property included in the port district.

Section 7

Section 7-329a (Effective from passage): of the general statutes is repealed and the following is substituted in lieu thereof:

(a) Any town may, by vote of its legislative body, establish a port district which shall embrace such town. The affairs of any such district shall be administered by a port authority, comprising not fewer than five and more than seven members. The members of any such authority shall be appointed by the chief executive of the town and shall serve for such term as the legislative body may prescribe and until their successors are appointed and have qualified. Vacancies shall be filled by the chief executive for the unexpired portion of the term. The members of each such board shall serve without compensation, except for necessary expenses. The jurisdiction of a port authority shall not extend to matters relating to the licensure of pilots, the safe conduct of vessels, the protection of the ports and waters of the state and all other matters set forth in chapter 263 which are under the authority of the Department of Transportation. In addition the jurisdiction of a port authority shall not extend to matters relating to (1) a solid waste facility, as defined in subdivision (4) of section 22a-207, (2) a recycling facility, as defined in subdivision (8) of section 22a-207, (3) the building of a paper mill or a paper recycling facility, or (4) the Connecticut Resources Recovery Authority.

(b) No town shall (1) terminate or reorganize a port district established by such town pursuant to subsection (a) of this section or a port authority appointed by such chief elected official pursuant to subsection (a) of this section, (2) modify the duties or powers of such port authority, or (3) modify the property included in such port district, without the written consent of the Commissioner of Transportation.

Vetoed by Governor 7/2/09, Veto overruled 7/20/09

Public Act# 09-190 **HB# 5861**

AN ACT CONCERNING THE PROCESSING OF MUNICIPAL APPLICATIONS FOR STATE PERMITS

EFFECTIVE DATE: October 1, 2009

SUMMARY: This act requires the environmental protection, public health, and transportation commissioners and the State Traffic Commission, within 60 days after receiving a formal petition, application, or request for a permit from a municipality, to conduct a preliminary review solely to determine if it is acceptable for filing. The official must conduct the review within available appropriations and notify the municipality of the results of the review. The act does not preclude the officials from requesting additional information after sending this notice. It takes priority over laws requiring other procedures.

BACKGROUND

Legislative History

The House referred the act (File 322) to the Environment Committee, which reported it favorably, and the Appropriations Committee, which added the requirement that DEP and DPH act within available appropriations.

Public Act# 09-196 **HB # 6041**

AN ACT CONCERNING MUNICIPAL ASSESSMENTS AND ASSESSMENT APPEALS

EFFECTIVE DATE: Upon passage, except that the changes concerning assessment appeals and the valuation of income-producing property take effect October 1, 2009, the latter applying to assessment years beginning on or after it.

SUMMARY: This act changes several laws governing the way towns assess property taxes and hear assessment appeals. It makes it easier for tax assessors to appraise large, income-producing property based on comparable sales and allows them to request net income and expense data annually, not just after a property is built or improved or during a town wide revaluation.

The act raises the ceiling above which boards of assessment appeals may refuse to hear appeals regarding specific types of property. It also allows property owners denied a hearing to appeal directly to the Superior Court.

In deciding any appeal, the board may increase or decrease a property's assessment. The act freezes the board's changes until the town's next scheduled revaluation, unless the assessor must change the assessment for specified reasons. If an assessor changes the assessment for other reasons, he or she must the reasons in writing to the board and attach them to the property's card record.

The act similarly requires the assessor to record the reasons for changing a valuation that was initially made by an appraisal company hired to conduct a town wide revaluation. The assessor must record the reasons in the property's record card.

The act changes the effective date of PA 09-60, which allows municipalities to delay their next revaluation or the next step in the phase-in of an existing revaluation. That act took effect July 1, 2009 and applied to assessment years beginning October 1, 2008. This act makes the effective date upon passage and applies its changes to assessment years beginning on or after October 1, 2008.

Lastly, the act eliminates the 13-member working group established in 2006 to recommend improvements to the revaluation process.

VALUING INCOME PRODUCING PROPERTIES

Section 2 Valuation Method

Assessors generally determine the fair market value of large apartments (i.e., seven or more units), leased facilities, and other income-producing property based on recent sales of comparable property in the town. But this may not be possible if there are few or no comparable properties in the town or few or no comparable sales. In these cases, assessors must determine value based on a property's capacity to generate rental income. Prior law required them to do so based on as many of the following methods as were applicable:

1. replacement cost less depreciation, plus the market value of the land;

2. gross income multiplier method used for similar property; and

3. capitalization of income based on market rent for similar property.

The act changes the mix of methods assessors must use to determine the value of income producing property. It requires them to use the comparable sales method in all cases without prohibiting them from using recent sales data for comparable property in other towns.

The act also eliminates the gross income multiplier method as a valuation option, but it is already part of the capitalization of income method (see BACKGROUND). It requires assessors to use comparable sales and the other two methods any time they revalue property, not just during a town wide revaluation.

Section 3 Disclosing Rental Income and Expense Data

The act changes the rules for providing annual net income and operating expense data. By law, assessors may require a property owner to submit this data when determining the value of his or her property, which assessors usually do after a property is built or improved or during a periodic town wide revaluation. In such cases, the property owner must submit the income and expense data by June 1 annually on a form the assessors must provide. Assessors record the value they derive from the data on the municipality's grand list for the subsequent October 1.

The act explicitly allows assessors to request the income and expense data annually, not just after a property is built or improved or during a town wide revaluation. But it also requires them to provide the data forms no later than 45 days before the June 1 submission deadline. The act allows assessors to extend that deadline for up to 30 days for good cause, but only if the property owner requests an extension by May 1. It requires assessors or their designees to audit the data the property owner submits.

The law imposes a penalty on the owner for failing to submit income and operating expense data or submitting incomplete or false data with the intent to defraud. The penalty is a 10% increase in the property's assessment for that assessment year. The act allows assessors to waive this penalty if the taxpayer who was required to submit the data no longer owns the property on the subsequent October 1. Assessors or appeals boards may do this if the municipality adopted an implementing ordinance.

RECORDING THE REASONS FOR CHANGING A VALUATION

Section 4After a Revelation

By law, assessors are responsible for determining property values even when they hire an appraisal company to do so on their behalf. In these cases, they may change the company's valuation. If an assessor does so, the act requires him or her to document the reasons for changing the valuation and append them to the property's card (i.e., the document on which the assessor records the property's address, physical characteristics, value, and other relevant data). The record also includes the criteria, guidelines, and similar material used to determine value and a list of property sales by neighborhood.

By law, the record, including the assessors' reasons for changing a valuation, must be available for public inspection no later than the date the assessors mailed the notices informing owners about the new valuations. The comparable sales data used to determine those valuations must remain available for public inspection for at least 12 months after the revaluation's effective date.

Section 1On Appeal

The law allows boards of assessment appeals to change the assessor's valuation of a property, but only if the owner appeals the property's gross assessment (i.e., 70% of the property's fair market value without reductions for tax exemptions). If two or more people own the property, each person may appeal his or her portion of the assessment.

If the board increases or decreases the property's gross assessment, the act freezes that new value until the next time the municipality revalues property (municipalities revalue at least once every five).

The act allows the assessor to change the board's assessment to comply with a court order, correct an error, or reflect a change in the property's physical characteristics (e.g., addition of a new room, demolition of an existing room, or damage caused by a storm). The assessor may change the assessment for other reasons before the next revaluation, but the act requires him or her to explain to the board in writing the reasons for doing so and append them to the property's record card.

Section 1 Assessment Appeals

The act raises the ceiling above which the board of assessment appeals may refuse to hear appeals regarding specific types of property. Under prior law, the board could do so for commercial, industrial, utility, or apartment property assessed at over $500,000. The act raises the ceiling to $1 million. By law, all property owners may appeal their annual October 1 assessment. Those that wish to do so must file their appeals in February, and the board must hold hearings in March.

If the board refuses to hear a property owner's appeal, the act allows the owner to appeal directly to the Superior Court.

BACKGROUND

Methods for Assessing Income-Producing Property

Gross Income Multiplier Method

This method determines value based on the subject property's monthly rental income and the sale price of a comparable property. It requires an assessor to divide the sale price of a comparable property by its monthly net income. He or she must then determine the value of the subject property by multiplying the result by its monthly income.

For example, assume the subject property generates $2,500 per month in net income. An assessor can determine its value based on the sale price and monthly net income of a comparable property. Assume that the comparable property sold for $200,000 and generated $2,000 in monthly net income. The assessor divides the sales price by the monthly income to calculate the gross income multiplier (i.e., $200,000/$2,000=100). He or she then determines the subject property's value by multiplying the gross income multiplier (100) by the subject property's monthly income ($2,500) to determine the property's value (i.e., $100 x $2,500=$250,000).

Income Capitalization Method

The income capitalization method looks at similar factors to determine value. It focuses on the ratio between the net income a property expects to produce and its original sale price or current market value. Using the above example, the assessor would calculate the value of the subject property by determining the capitalization rate of the comparable property (i.e., $2,000/$200,000=. 01). The assessor then determines the subject property's value by dividing the comparable property's capitalization rate by its monthly net income (i.e., $2,500/. 01= $250,000).

Revaluation Working Group

This 13-member group consisted of assessors, business representatives, and public officials responsible for recommending improvements to the revaluation process. It had to submit its findings and recommendations to the Finance, Revenue and Bonding Committee by January 1, 2007, and by law, terminated on that date or the date it submitted the report. The group submitted that report in January 2009.

Legislative History

PA 09-60 (SB 997, File 603) (1) sets conditions under which municipalities can delay their next scheduled revaluation or the next step of a phase-in of a revaluation and (2) allows groups of municipalities to revalue property according to the same schedule, even if it requires some to revalue later than their schedules require.

Public Act# 09-209 **SB# 948**

AN ACT CONCERNING IMPLEMENTATION OF THE S.A.F.E. MORTGAGE LICENSING ACT

EFFECTIVE DATE: July 1, 2009, except (1) certain technical changes and the CT FAMILIES provision are effective on passage, (2) the provision on opening strict foreclosure judgments and certain technical and conforming changes are effective October 1, 2009.

SUMMARY: This act implements the 2008 Federal Secure and Fair Enforcement for Mortgage Licensing (S. A. F. E.) Act by imposing conditions on licensing for mortgage professionals, including education and testing. It (1) changes definitions and confidentiality and surety bond requirements, (2) expands the banking commissioner's enforcement and investigative authority, and (3) prohibits a number of actions by persons subject to the mortgage licensing laws. The act also expands the prohibition on influencing residential real estate appraisals to everyone, rather than just mortgage brokers.

This act changes the process for determining eligibility for the Emergency Mortgage Assistance Program (EMAP) by (1) allowing the Connecticut Housing Finance Authority (CHFA) to determine what constitutes a significant reduction in a borrower's income and (2) expanding the circumstances that constitute a financial hardship beyond a borrower's control and changing some of the conditions for repayment. It allows borrowers to apply for the program before they receive notice of intent to foreclose under certain circumstances. It specifies the circumstances under which the lender may proceed with the foreclosure. The act expands eligibility for the CT FAMILIES refinancing program from homeowners with adjustable rate mortgages to also include those with fixed-rate mortgages.

This act makes the foreclosure mediation program established under PA 08-176 mandatory, rather than optional, for actions with return dates on and after July 1, 2009. To that end, the act changes the mechanism by which borrowers are notified and mediation sessions scheduled and makes other conforming changes. The act also sets requirements for disclosures made during the mediation.

The act specifies that no judgment of strict foreclosure or foreclosure by sale can be entered before July 1, 2010 unless the mediation period has expired or otherwise terminated, whichever is earlier, or the mediation program is not otherwise required or available.

By law, lenders must appear in person at the first mediation session and be authorized to agree to a proposed settlement. If the lender's attorney appears instead, he or she must have such authority, and the lender must be available by phone or electronic means. The act specifies that the court cannot award attorney's fees to any lender for time spent in the first mediation session if it does not comply with this requirement, unless the court finds reasonable cause for it.

The act also allows judgments of strict foreclosure to be opened after title has become absolute under certain circumstances.

Public Act# 09-214 **SB# 1162**

AN ACT REQUIRING CONSENSUS REVENUE ESTIMATES

EFFECTIVE DATE: Upon passage

SUMMARY: This act requires the Office of Policy and Management (OPM) secretary and the Office of Fiscal Analysis (OFA) director to agree on and issue consensus revenue estimates each year by October 15 and to issue any necessary consensus revisions of those estimates in January and April. The estimates must cover the current biennium and the three following years. If the secretary and the director cannot issue a consensus estimate, they must issue separate ones. In such a case, the comptroller must issue the consensus estimate based on the separate estimates. The comptroller's estimate must equal one of the separate estimates or fall between the two.

The act also establishes an additional procedure for developing a consensus revenue estimate for the FY 10-11 biennium and requires the governor and legislative fiscal committees to take certain actions based on those estimates if no budget for those years has become law by the act's effective date.

Under the act, the consensus revenue estimates and revised estimates must (1) be the basis for the governor's proposed budget and the revenue statement included in the budget act the legislature passes and (2) be included in the annual fiscal accountability reports submitted to the legislature's fiscal committees each November. If the estimates or revised estimates lead to forecasted deficits or increased deficits exceeding certain levels, the act requires the governor and the legislature's fiscal committees to take specified actions to address the estimates.

ANNUAL CONSENSUS REVENUE ESTIMATES

Process and Timetable for Developing Consensus Revenue Estimates

The act requires the OPM secretary and the OFA director to agree on and issue consensus revenue estimates each year by October 15. The estimates must cover a five-year period that includes the current biennium and the three following fiscal years. It also requires the two offices, by January 15 and April 30 each year, to issue either (1) a consensus revision of their previous estimate or (2) a statement that no revision is needed.

If the secretary and the director do not issue a consensus estimate or revision by these deadlines, they must issue separate estimates or revisions. The state comptroller must then issue a consensus estimate or revision based on the separate estimates. The comptroller must either (1) adopt one of the separate estimates or revisions or (2) issue an estimate that falls between the two. The deadline for the comptroller to issue the October consensus estimate, if required, is October 25. For any required revised January and April consensus estimates, the comptroller's deadline is no later than five days after OFA and OPM fail to issue a consensus revision, i.e., by January 20 and May 5, respectively.

Requirements for Using Consensus Estimates

The act requires the governor to base the draft revenue and appropriations acts needed to carry out her budget recommendations on the consensus estimate or most recent revised consensus estimate. It also requires the consensus estimate or revised consensus estimate to serve as the basis for the estimated revenue statement for each fiscal year that, under existing law, the legislature must include in the state budget act. By law, this statement must be itemized by major revenue source for each major state fund and show that the budget's spending requirements and the state's estimated revenues are balanced in each fiscal year.

Finally, the act requires OPM and OFA to include the October consensus revenue estimate in the state fiscal accountability reports they must each submit annually to the Finance, Revenue and Bonding and Appropriations committees by November 15.

Revised Consensus Estimates Forecasting Deficits or Increased Deficits

When the revised consensus revenue estimate issued in January or April of any year changes the previous consensus estimate to forecast a deficit or deficit increase greater than 1% of total General Fund appropriations for the current year, the act requires the governor and the General Assembly to address the revised estimates if (1) the General Assembly is in session and (2) no budget for the upcoming fiscal year has been adopted. (Since revenue projections alone cannot forecast a deficit, presumably the existence and size of any deficit forecast under the act would be determined by comparing the consensus revenue estimate to state spending projections.)

If the January or April revised estimate forecasts such a deficit or deficit increase, the governor must submit a budget document to the legislature within 25 calendar days after the January estimate is issued or within 10 calendar days after issuance of the April revised estimate. The document must be based on the consensus or revised consensus revenue estimate and must include drafts of appropriations and revenue acts necessary to address the most recent of these estimates.

If the April revised estimate forecasts such a deficit or deficit increase, the Appropriations and Finance, Revenue and Bonding committees must, by the 10th business day after the April consensus revision is issued, prepare and vote on adjusted appropriations and revenue plans needed to address the revised estimate.

ADDITIONAL REQUIREMENTS FOR FY 10-11 BIENNIUM

If no budget for the July 1, 2009 to June 30, 2011 biennium has become law by the act's effective date, the act gives the secretary and the director five days after its passage to issue the revised consensus revenue estimate for that biennium. If the offices do not issue the estimate by the deadline, they must issue separate revised estimates. Immediately afterwards, the comptroller must consider the two estimates and issue the revised consensus estimate for the FY 10-11 biennium. The estimate must be the same as OFA's or OPM's revised estimate or fall between the two.

Unless a budget for the July 1, 2009 to June 30, 2011 biennium has become law by the act's effective date, the Appropriations and Finance, Revenue and Bonding committees must, by the 10th day after that date, prepare and vote on adjusted appropriations and revenue plans needed to address the

revised consensus estimate. Also by the 10th day after the act takes effect, the governor must submit a budget document to the legislature that addresses the revised consensus estimate. The document must be based on the revised estimate and include drafts of appropriations and revenue acts necessary to address it.

Vetoed by Governor 6/4/09, Veto overruled 7/20/09

Public Act# 09-219 **HB#6481**

AN ACT CONCERNING THE EMERGENCY MORTGAGE ASSISTANCE PROGRAM

EFFECTIVE DATE: July 1, 2009, except for the provision allowing EMAP applications when a person is at least 60 days late on his or her mortgage, which is effective October 1, 2009, and the provision on CT FAMILIES, which is effective on passage.

SUMMARY: This act changes the process for determining eligibility for the Emergency Mortgage Assistance Program (EMAP) by (1) allowing the Connecticut Housing Finance Authority (CHFA) to determine what constitutes a significant reduction in a borrower's income and (2) expanding the circumstances that constitute a financial hardship beyond a borrower's control.

The act allows borrowers to apply for the program before they receive notice of intent to foreclose if they are 60 days or more delinquent on their mortgage. Currently, borrowers apply when they receive information about the program with the lender's notice of intent to foreclose. The act also allows CHFA to refer an applicant to a U.S. Department of Housing and Urban Development (HUD)-approved counseling agency as part of the application process. The act also specifies the circumstances under which the lender may proceed with the foreclosure.

Finally, the act expands eligibility for the CT FAMILIES refinancing program. Under current law, the program is just for homeowners with adjustable rate mortgages (ARMs). The act specifies that it is for homeowners facing financial hardships affecting their ability to meet their monthly mortgage obligation, including but not limited to those with ARMs.

The act also makes conforming and technical changes.

FINANCIAL HARDSHIP

Under current law, in order to be eligible for EMAP, a person must be experiencing "financial hardship due to circumstances beyond his or her control." The law defines this to include a significant reduction of at least 25% of aggregate family household income that reasonably cannot be or could not have been alleviated by the liquidation of assets by the borrower, including a reduction resulting from a number of specified situations. The term also includes a significant increase in the mortgage payment amount. The act allows CHFA to generally determine what amount constitutes a significant reduction and eliminates reference to the 25% threshold and the liquidation of assets. It also includes in the definition a significant increase in other housing related costs, including the cost of heat or utilities.

PROCEEDING WITH FORECLOSURE

By law, before foreclosing on certain mortgages, a lender has to provide a notice to the borrower informing him or her of the default and that they have 60 days in which to have a meeting with the lender or consumer credit counseling agency, and contact CHFA to get information about and apply for EMAP if the default is unable to be resolved. If the borrower fails to (1) meet with the lender or (2) act within the designated time period, or if the EMAP application is denied or is not timely filed, the foreclosure can continue without any further interruption. The act specifies that this does not apply if the lender refuses to meet with the borrower. Additionally, the act provides that nothing in the EMAP statutes prevents a person from applying or reapplying and being considered for EMAP if the person is referred to the program by the foreclosure mediation program.

Public Act# 09-221 **HB#6584**

AN ACT ESTABLISHING CONNECTICUT HERITAGE AREAS

EFFECTIVE DATE: Upon passage

SUMMARY: This act authorizes state entities to take certain actions in "Connecticut Heritage Areas." It defines these areas as places the legislature identified as having significant historic, recreational, cultural, natural, and scenic resources forming an important part of the state's heritage.

The act requires state agencies, departments, boards, and commissions to consider these areas when developing their planning documents and processes. It specifically requires the Office of Policy and Management to consider how to protect and conserve them when revising the five-year State Plan of Conservation and Development (Plan of C&D) after October 1, 2009. The act allows state entities to collaborate with those managing the areas on environmental protection, heritage resource preservation, recreation, tourism, trail development, and similar projects.

Lastly, the act recognizes the Quinebaug and Shetucket Rivers Valley National Heritage Corridor and the Upper Housatonic Valley National Heritage Area as Connecticut Heritage Areas.

Public Act# 09-226 **SB# 383**

AN ACT EXEMPTING REGIONAL PLANNING ORGANIZATIONS FROM PAYMENT OF LOCAL PROPERTY TAXES

EFFECTIVE DATE: October 1, 2009, and applicable to assessment years commencing on or after October 1, 2009.

SUMMARY: This act exempts real property owned by or held in trust for a regional planning organization (RPO) from property tax, so long as (1) the property is used to advance the organization's official duties and (2) the municipality where the property is located approves the exemption. By law, the three types of RPOs are regional councils of governments, regional councils of elected officials, and regional planning agencies.

AN ACT CONCERNING SMART GROWTH AND THE STATE PLAN OF CONSERVATION AND DEVELOPMENT POLICIES PLAN

EFFECTIVE DATE: Upon passage, except for the change concerning municipal plans of development, which takes effect July 1, 2010.

SUMMARY: The law requires the state, regions, and municipalities to prepare periodic plans for balancing the need to conserve and develop land. This act postpones, from March 1, 2009 to March 1, 2011, the deadline for revising the five-year State Plan of Conservation and Development (State Plan of C&D), which the Office of Policy and Management (OPM) prepares. In doing so, it resets the schedule for revising the plan and pushes back the deadline for recommending priority-funding areas. The act also requires the plan's next two revisions to be consistent with the state's plan for reducing greenhouse gas emissions.

Municipalities must prepare 10-year plans of conservation and development. Prior law disqualified those that failed to update their plans from discretionary state funds until they did so or the OPM secretary waived this provision. The act suspends the provision until the next time the state adopts its revised Plan of C&D, which, under the act, must happen by July 1, 2012.

Lastly, the act requires the Continuing Legislative Committee on State Planning and Development to study how OPM: (1) prepares the State Plan of C&D and incorporates specified smart growth principles in it, (2) applies the plan and these principles to state agency actions, and (3) integrates the plan with municipal and regional plans of C&D. The committee must consult with specified groups and report its findings and recommendations to the legislature by February 1, 2010.

STATE PLAN OF C&D

New Timeframes for Revising

The State Plan of C&D sets policies for locating large-scale, state-funded capitol projects. By postponing the deadline for revising the plan, the act resets the time period for the next plan from 2010-2015 to 2012-2017. The plan's policy guidelines aim to preserve farms, forests, and open space by locating large-scale, state funded development projects in places where roads, sewers, and other supporting infrastructure already exist.

By pushing back the deadline for completing the next revision, the act also pushes back OPM's deadline for recommending priority funding areas (places where the state can fund growth-related projects). PA 05-205 required OPM to submit its recommendations to the Continuing Committee along with the revised plan for 2010-2015. By law, the committee must submit its priority funding areas recommendations to the legislature, along with the revised plan, for approval.

The act also resets the statutory schedule for revising the plan. The table below compares the schedule under the prior law and the act.

Action	*Prior Law*	*Act*
Submit draft of revised plan to Continuing Committee	September 1, 2008	September 1, 2010
Make further revisions	Between December 1, 2008 and March 1, 2009	Between December 1, 2010 and March 1, 2011
Publish and disseminate plan	No later than March 1, 2009	March 1, 2011
Conduct hearings	Not later than five months after publication (July 31, 2009)	Not later than five months after publication (July 31, 2011)
Submit final draft to Continuing Committee	No later than three months after the hearings (October 31, 2009)	By December 1, 2011 for the 2012-2017 plan (subsequent plans must be submitted no later than three months after the hearing)

Consistency with Climate Change Action Plan

By law, the State Plan of C&D must promote specific policy goals, including reducing carbon dioxide emissions in the state. The act specifies that this goal must be consistent with the Connecticut Climate Change Action Plan. It also eliminates the requirement that OPM, together with the Department of Environmental Protection, report every three years on the net amount of carbon dioxide annually emitted in Connecticut.

PLANNING STUDY

Consultation

In studying how the state prepares and applies the State Plan of C&D, the act requires the 10-member Continuing Committee to consult with municipalities, regional planning organizations, state agencies, the public and other stakeholders.

Smart Growth Principles

The act requires the Continuing Committee to determine how OPM incorporates smart growth principles in the plan and how state agencies apply them. It bases the principles on its definition of "smart growth," that is economic, social, and environmental development that:

1. simultaneously promotes economic competitiveness and preserves natural resources and

2. allows state, regional, and municipal officials and the communities and constituents they serve to collaboratively plan, make decisions, and evaluate policies.

The development must use financial or other incentives to promote competitiveness and preserve resources.

The principles must be in the form of standards and objectives that can help policy makers act and decide in ways that support and encourage smart growth. The standards and criteria may include:

1. integrating planning to coordinate state, regional, and local tax, transportation, housing, environmental, and economic development policies;

2. reducing the extent to which municipalities depend on the property tax and compete for new growth by delivering services regionally;

3. redeveloping existing infrastructure and resources, including brownfields and historic places;

4. providing rail, public transit, bikeways, walking, and other transportation alternatives to automobile travel while reducing energy consumption;

5. developing or preserving housing affordable to households with different incomes (a) near transportation and employment centers or (b) where such housing is compatible with smart growth;

6. concentrating mixed use, mixed income development near transit nodes and civic, employment, or cultural centers; and

7. conserving and protecting natural resources by preserving open space, water resources, farmland, environmentally sensitive areas, and historic property and furthering energy efficiency.

BACKGROUND

Connecticut Climate Change Action Plan

The plan recommends (1) supporting landfill-to-gas energy projects to capture and use methane as a fuel and (2) increasing recycling and source reduction. It set a goal of reducing non-farm fertilizer use by 7.5% in 2010 and 15% in 2020. The plan also recommends:

1. setting minimum efficiency levels for appliances;

2. encouraging consumers to replace old appliances with newer, more efficient ones; and

3. identifying measures to reduce gases with high global warming potential.

Continuing Legislative Committee on State Planning and Development

By law, this 10-member committee must set broad goals and objectives for the state's physical and economic development and send them to the OPM secretary. It also must review and approve the State Plan of C&D each time the secretary changes or revises it (CGS Section 4-60d).

Public Act# 09-231 **HB# 6585**

AN ACT CONCERNING REGIONALISM

EFFECTIVE DATE: July 1, 2011 for the sales tax segregation provisions; October 1, 2009 for the remaining provisions.

SUMMARY: This act requires the board of directors of each federal economic development district to send a copy of the district's regional economic development plan to the Office of Policy and Management (OPM) secretary. The secretary must approve the plan within 30 days after receiving it.

The act allows the chief elected officials of two or more municipalities that belong to the same federal economic development district to enter into mutual agreements to (1) promote regional economic development and (2) share the real and personal property tax revenue from new economic development. The agreement must (1) provide that the municipalities not compete for new economic development and (2) specify the types of projects subject to the agreement. The municipalities must send a copy of the agreement to the OPM secretary who must determine, within 30 days, whether it is consistent with the act's requirements. The secretary must send his determination to the Department of Revenue Services (DRS) commissioner.

The act requires the DRS Commissioner to enter into a memorandum of agreement (MOA) with each municipality participating in an approved agreement to segregate part of the sales and use tax derived from income, items, or transactions that occur in the participating municipalities after June 30, 2010. (It is unclear how revenue segregation will work with regard to MOAs entered into before July 1, 2011, since the segregation provision is not effective until July 1, 2011). This money must be allocated to the member municipalities on a per capita basis, based on the Department of Public Health's (DPH) latest annual population estimate. The municipalities must use the money for the purposes they jointly determine.

The act requires regional councils of elected officials to identify opportunities and obstacles to interlocal agreements that promote regional cooperation and promote agreements between towns entered into under the act.

AGREEMENT AMONG MUNICIPALITIES

Under the act, the agreement must provide for:

1. identification of areas for (a) new economic development, (b) open space and natural resource preservation, and (c) transit oriented development, including housing;

2. capital improvements, including the shared use of buildings and other capital assets;

3. regional energy consumption, including strategies for cooperative energy use and development of distributive (on-site) generation and sustainable energy projects; and

4. promotion and sharing of arts and cultural assets.

The agreement must also include terms providing for at least three municipal cooperative programs and at least three educational cooperative programs. These can cover such areas as:

1. collective bargaining;

2. purchasing cooperatives;

3. health care pooling with each other or the state;

4. regional shared school curriculum and special education services, through regional education service centers; and

5. any other mutually agreed upon initiatives.

Each party to the agreement must participate in at least one municipal cooperative and one educational cooperative program. The act explicitly states that the parties do not have to participate in all of these cooperative programs.

The agreement must be negotiated and contain all provisions on which the municipalities agree. The mill rate used to determine the amount of taxes imposed on the new economic development must be the mill rate of the municipality where the development is located. This municipality must maintain a separate list describing these properties.

The agreement must establish procedures for its amendment and termination and withdrawal of members. It must provide an opportunity for public participation. The legislative body of each participating municipality must adopt a resolution to approve the agreement. The legislative body is the council, commission, board, body or town meeting, or other body that has or exercises general legislative powers and functions in a municipality. A municipality is a town, city, or borough; consolidated town; and city or consolidated town and borough.

The participating municipalities must send a copy of such agreement to the OPM secretary. Within 30 days after receiving the plan, the secretary must make a written determination as to whether it is consistent with the act's requirements. The secretary must send a copy of his determination to each participating municipality and the DRS Commissioner.

BACKGROUND

Federal Regional Economic Development Districts

Federal law allows entities to designate districts, establish organizations to plan and implement strategies to develop them, and qualify for economic development dollars. It specifies the criteria the U.S. Department of Commerce (DOC) must use to approve a proposed district. DOC may approve a district if it:

1. contains at least one economically distressed area,

2. encompasses a sufficiently large area and have enough people and resources to foster economic development of more than one economically distressed area, and

3. has a DOC-approved comprehensive economic development strategy approved by a majority of the counties in the proposed district and the state or states within which the district is located.

An area is economically distressed if:

its per capita income is 80% or less of the national average,

its unemployment rate for the most recent 24-month period exceeded the nation's by at least 1%, or

the DOC secretary finds that it faces or will face special needs arising from severe unemployment or short- or long-term economic changes (13 CFR Section 302.1).

Public Act# 09-233 **SB# 881**

AN ACT CONCERNING INTERNATIONAL COMMERCE AND CERTAIN DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT REPORTS

SUMMARY: This act requires the Department of Economic and Community Development (DECD) commissioner to evaluate Connecticut's competitiveness as a place to do business and summarize her findings in the comprehensive annual report she submits to the governor and legislature. In doing so, she must evaluate:

1. how the state's programs and policies affect the economy and business environment,

2. the state's ability to retain and attract businesses,

3. other states' steps to improve their competitiveness, and

4. programs and policies the state could implement to improve its competitiveness.

This evaluation is in addition to the economic analysis the commissioner must include in the comprehensive report under already existing law. The analysis must assess how DECD's programs benefit the state's economy.

The comprehensive report, which is due February 1, annually consists of many formerly separate DECD reports. The act adds to the comprehensive report the separate DECD reports on two energy programs it administers—the Biodiesel Producer Incentive and the Fuel Diversification grant programs. Under prior law, annual reporting requirement applied to the latter if DECD selected an entity to administer the Fuel Diversification Grant Program. PA 09-234 eliminates this requirement.

EFFECTIVE DATE: July 1, 2009

BACKGROUND

Related Act

Among other things, PA 09-234 makes corresponding changes to the statutes governing the Biodiesel Producer Incentive and the Fuel Diversification grant programs. It eliminates the requirement that DECD prepare the report on the Biodiesel Distributors Grant Program in consultation with the entity DECD selected to run the program. It also eliminates the requirement that it submit the report to the Environment and Energy and Technology Committees.

The act also eliminates the reporting requirement that applies if DECD selects an entity to administer the Fuel Diversification Program. Under prior law, the entity had to submit annual reports to the commissioner about the program.

Public Act# 09-234 **SB# 887**

AN ACT CONCERNING CHANGES TO ECONOMIC DEVELOPMENT STATUTES AND INFRASTRUCTURE ENHANCEMENTS AT THE UNITED STATES NAVAL SUBMARINE BASE-NEW LONDON

EFFECTIVE DATE: Upon passage, except the provisions regarding the strategic plan and DECD's annual report take effect July 1, 2009.

SUMMARY: This act allows municipalities to apply amnesty payments against any outstanding tax owed on property if they are implementing the one-time amnesty program authorized under PA 08-2, NSS. Under current law, municipalities must apply delinquent payments against the oldest outstanding tax owed on a property.

The act exempts the U. S. Navy and Defense departments and their eligible contractors from certain requirements when using state funds for improving the infrastructure at the U. S. Naval Submarine Base—New London. By law, the infrastructure improvements must be for long-term, ongoing naval operations at the base.

The act changes income criterion improved condominiums and multifamily housing units must meet to qualify for enterprise zone property tax exemptions. Under current law, the units must be occupied by people earning no more than 200% of the municipality's median family income. Under the act, they must be occupied by people earning no more than 200% of the median income of the area where the municipality is located, as determined by the U. S. Department of Housing and Urban Development (HUD). HUD annually determines area median income for families adjusted for size.

The act removes the Department of Economic and Community Development (DECD) from the law that automatically terminates agencies on specified dates unless the legislature reestablishes them. Under current law, DECD is scheduled to terminate on July 1, 2013.

Lastly, the act requires DECD to incorporate its separate annual reports for two programs it administers in its comprehensive annual report. In doing so, it changes how these reports must be prepared and who receives them. The act makes many minor and technical changes to the economic development statutes, including those governing enterprise zone reporting and the strategic economic development plan.

SUBMARINE BASE INFRASTRUCTURE CONTRACTS

The law authorizes $50 million in bonds for enhancing the infrastructure at the Naval Submarine Base—New London to support long-term, ongoing naval operations there. Under current law, DECD must grant the proceeds under the Manufacturing Assistance Act (MAA) to the U.S. Navy and other

eligible applicants for this purpose. The act makes the U.S. Defense Department eligible for the grants and changes the reference to the Navy to U.S. Department of the Navy.

The act exempts the sub base infrastructure projects grants and contracts, as well as the Navy and Defense departments and other eligible contractors, from certain requirements that apply to state contracts, subcontractors, and applicants for state financial assistance. It:

1. exempts the Navy and Defense departments from any requirement to be in compliance with any executive order of the governor;

2. waives, for these departments and other eligible applicants, the requirement to apply for financial assistance to the DECD commissioner;

3. exempts any state contractor working under a contract between the state and the Navy or Defense departments from restrictions on state contractors' political contributions to candidates for state office; and

4. exempts contracts between the state and either department from the requirement that state contractors and their subcontractors comply with state antidiscrimination laws and affirmative action requirements.

The act also allows DECD to provide grants covering up to 100% of the total infrastructure project costs. Current law limits MAA funding to a specified portion of a project's costs. The portions range from 50% to 90% of a project's costs, depending on its location and other specified factors.

ENTERPRISE ZONE REPORTING AND EVALUATION

The state's 17 enterprise zones are relatively small economically distressed areas where businesses qualify for property and corporate business tax incentives if they improve property and create jobs. The law specifies a process for evaluating the zones that includes deadlines for submitting data and evaluation reports. The act extends these deadlines.

Current law requires all businesses in the zones, regardless of whether they qualify for the tax incentives, to report specified information to their host municipalities every five years, beginning July 1, 2011. The act limits the requirement to those businesses certified to receive the incentives and pushes back the reporting deadline to November 1, 2011.

Current law requires municipalities to submit performance reports to the DECD commissioner every five years, beginning July 1 2011. The act pushes back this deadline to October 1, 2011. The reports must measure the extent to which the zones achieve their goals.

The law requires the commissioner to submit two consecutive reports to the legislature evaluating the enterprise zones and, with respect to the second report, recommending whether the enterprise zone designation should be removed from any area that has not met its goals. The act pushes back the deadline for the first report from February 1, 2011 to February 1, 2012. It does not change the second report's deadline, which is January 1, 2013.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

The law requires the DECD commissioner to prepare a five-year strategic plan addressing a wide range of issues including, the factors, issues, and forces that impede economic development. The first plan is due July 1, 2009. The act requires her to include in the plan a review and evaluation of several programs providing incentives to businesses in designated areas. The programs are:

1. Urban Jobs, which provides grants to businesses in state-designated distressed municipalities;

2. Enterprise Zones, which provides property and corporate tax incentives for improving property and creating jobs; and

3. those programs providing enterprise zone benefits to other targeted areas, including railroad depots, entertainment districts, and enterprise corridors.

The review and evaluation must also include the incentives given to attract businesses to closed military bases and manufacturing plants in municipalities contiguous to those with enterprise zones.

REGIONAL INFRASTRUCTURE PROJECTS

The act updates a reference to a manual used to determine if projects qualify for regional infrastructure grants. (The legislature has not funded the program since 1993) Under current law, the commissioner must determine if a project creates manufacturing jobs based on the Standard Industrial Classification System, which the federal government devised in the 1930s to classify different types of manufacturing industries. The act substitutes the North American Industrial Classification System, which the federal government devised in cooperation with Canada and Mexico to implement the North American Free Trade Agreement.

DECD ADMINISTERED ENERGY PROGRAMS

The act requires DECD to incorporate in its annual report two separate reports on the energy programs it administers. It also changes several reporting requirements. It eliminates the requirement that DECD prepare the report on the Biodiesel Distributors Grant Program in consultation with the entity DECD selected to run the program. It also eliminates the requirement that it submit the report to the Environment and Energy and Technology committees.

The act eliminates a reporting requirement that applies if DECD selects an entity to administer the Fuel Diversification Program. Under current law, the entity must submit annual reports to the commissioner about the program.

BACKGROUND

Enterprise Zone Property Tax Exemption for Residential Property

The law requires municipalities to grant two types of property tax exemptions to taxpayers in enterprise zones who improve their properties. They must exempt 80% of the assessed value of newly

constructed or improved factories, warehouses, banks, and other specified property for five years. The state reimburses municipalities for this revenue loss.

Municipalities must also exempt a portion of the assessed value of other types of property, but under a different schedule. Homes, apartments, stores, offices, and other types of property ineligible for the five-year, 80% exemption, qualify for a seven-year exemption. The exemption is 100% of the improvement's assessed value in the first two years, drops to 50% in the third, and declines by 10% per year in each of the remaining four years. The state does not reimburse municipalities for this revenue loss.

HUD Area Median Income

HUD annually determines median family income for metropolitan and nonmetropolitan areas based on census data. It uses this data to determine whether someone is eligible for housing or housing assistance under many different programs.

Public Act# 09-235 **HB# 6097**

AN ACT CONCERNING BROWNFIELDS DEVELOPMENT PROJECTS

EFFECTIVE DATE: October 1, 2009, except for the floodplains, Transfer Act, and municipal inspection provisions, which are effective upon passage, and the municipal liability protections, innocent third party status, and reimbursement provisions, which are effective July 1, 2009.

SUMMARY: This act makes many changes affecting the regulatory framework for identifying, investigating, remediating, and developing contaminated property (brownfields). It expands the protections from liability for municipalities when they take various steps to promote brownfield remediation. These steps include entering and inspecting property and acquiring and conveying it to other parties.

The act makes it easier for parties acquiring a brownfield to recover investigation and remediation costs from those responsible for contaminating the property. It does so by reducing the criteria for obtaining recovery and establishing procedures and deadlines for starting recovery actions. The procedures include allowing the responsible parties to participate in the investigation and remediation.

The act establishes a program protecting brownfield developers from liability for contamination that escapes from a brownfield before they acquired it. The program is open to developers who agree to remediate the brownfield according to state standards. The act also creates a regulatory mechanism allowing developers to remediate the soil and use the property while conducting long-term groundwater monitoring and remediation. It also allows any party, rather than just the owner or a municipality, to complete an environmental condition assessment form.

Lastly, the act reduces the regulatory criteria state agencies must meet when developing contaminated mill sites in floodplains. It also requires state agencies and quasi-public agencies to provide for the

use of green remediation technologies when soliciting bids, requesting proposals, or negotiating contracts for remediating brownfields.

Sections 2, 3, 4, 5, & 7 Municipal Development Organizations

The current law grants various powers and protections to municipalities and, in some cases, municipal economic development agencies involved different aspects of brownfield remediation. The act extends these powers and protections to other municipal development agencies and private organizations acting on a municipality's behalf (i.e., municipal development organizations (MDOs)).

MDOs are (1) redevelopment, municipal development, and implementing agencies and (2) nonprofit economic development corporations and non stock or limited liability companies (LLCs). A nonprofit economic development corporation qualifies as a MDO if it was formed to promote the municipality's common good, general welfare and economic development and receives funds or in-kind services from the municipality. A non stock corporation or LLC qualifies if it was established by the municipality or its economic development, redevelopment, or municipal development agencies and operates under their control.

MUNICIPALLY ACQUIRED AND CONVEYED BROWNFIELDS

Section 2 Transfer Act Exemptions

The act broadens the circumstances under which municipalities are exempt from the Transfer Act when acquiring and conveying brownfields. Current law exempts them when acquiring a property by foreclosing on a tax lien or through a tax warrant sale. It also exempts municipalities when they convey this property to another party who will remediate and redevelop it under the Department of Economic and Community Development's (DECD) Brownfield Pilot Program.

The act extends the Transfer Act exemption to property a municipality acquires and conveys by eminent domain or through any foreclosure action. The eminent domain exemption applies only to property they acquire under a legislative body resolution authorizing the taking of a specific brownfield site or the redevelopment, municipal development, or the Manufacturing Assistance Act statutes. By exempting property taken under these statutes, the act extends the municipal Transfer Act exemptions to the agencies that plan and implement projects under those statutes.

The municipality is also exempted from the act when it conveys property if two conditions are met. First, the municipality or the party acquiring the property began remediating the property under DEP's voluntary remediation program before the municipality conveyed it. Second, the acquiring party is neither responsible for the contamination nor affiliated with the party that is. The exemption applies when the municipality, an economic development agency, or a MDO transfer property among themselves.

Section 3 Liability Protections for Developers Acquiring Remediated Property

The act also expands the circumstances under which developers are protected from liability when acquiring a brownfield remediated under DECD's Brownfield Remediation Pilot Program, under which selected municipalities receives funds and technical assistance to investigate and remediate

contaminated property according to DEP standards. Current law protects developers from liability when acquiring property from the municipality or its economic development agency. The act extends the protection to developers when they acquire the property from a MDO.

In doing so, the act extends an additional benefit to these developers. Under current law, DEP must enter into a covenant not to sue with a developer who acquires a property from the municipality or its economic development agency after remediating it according to DEP standards. DEP do so without charging the statutory fee, which equals 3% of the property's value. The covenant protects the developer from future DEP orders to investigate and remediate pollution on the site. The act extends this benefit under the same conditions to developers who acquire remediated property from MDOs.

The act also extends a benefit to municipal development organizations that is currently limited to the municipalities and their economic development agencies. It allows them to keep 20% of the sale proceeds for economic development capital improvements. (As under current law, the organizations must remit the remaining 80% to DECD's Brownfield Office for deposit in the General Fund.)

Section 4 Innocent Third Party Status

The act broadens the circumstances under which municipalities qualify as innocent third parties, a designation that protects them under current law from liability to DEP for cleanup costs if the property was already contaminated when they acquired it or subsequently became contaminated due to an act of God or the actions of a third party. Current law limits this designation to municipalities and municipal economic development agencies that receive investigation and remediation funds under DECD Brownfield Remediation Pilot Program for investigating and remediating contamination. The designation applies only if the parties did not cause, contribute to, or exacerbate the contamination and comply with DEP's reporting requirements.

The act broadens the circumstances by extending it to MDOs that receive grants under any DECD program to investigate and remediate contaminated property. It also applies the designation if these entities did not establish, as well as cause, contribute to, or exacerbate the contamination and comply with DEP's reporting requirements.

The act also specifies the circumstances under which the entities are liable for cleanup costs. It does so by:

1. specifying that the innocent third status applies only to conditions that existed or exist on the property when an entity acquired or took control of the property as long as they did not establish, cause, contribute to, or exacerbate the pollution and

2. requiring the entity to address any contamination they exacerbated by negligent or reckless action.

Section 8 Abandoned Brownfield Cleanup Program

Benefit

The act establishes a program protecting developers from liability for investigating and remediating pollution that emanated from a property before they acquired it. The DECD commissioner must establish the program in consultation with the DEP commissioner.

Application Requirements

A developer must apply to DECD commissioner for the program's benefit on forms she provides. The commissioner has up to 60 days after receiving the application to determine if it is complete and notify the developer. The commissioner has 90 days after determining the application is complete to decide whether to award the program's benefit.

The act specifies that the commissioner's approval does not disqualify the developer or the property from funding under other brownfield remediation programs administered by the DEP, Connecticut Development Authority, or DECD.

Eligible Criteria

The property and the developer must meet the act's criteria to qualify for the program. The property must have been unused or significantly underused since October 1, 1999 and its redevelopment must benefit the municipality and the region.

The property must also meet the statutory definition of brownfield. Under that definition, a property is a brownfield if it has not been redeveloped or reused because it is contaminated or potentially contaminated. The contamination could be in the groundwater, soil, or buildings. It must be investigated, assessed, and cleaned up while the property is being restored, redeveloped, or reused or before these activities can occur. Lastly, the property must meet any other criteria the DECD commissioner establishes.

The developer qualifies for the program if the person or organization responsible for polluting the property cannot be identified, no longer exists, or cannot remediate the property. In addition, the developer qualifies if he or she:

1. intends to acquire title to the property so that it can be redeveloped;

2. did not establish or create a facility or condition at or on the property that could reasonably be expect to pollute water;

3. is unaffiliated with the party responsible for the pollution or its source through any direct or indirect familial or contractual, corporate, of financial relationship other than the one through which the property is conveyed or financed; and

4. is not required to remediate the pollution on or emanating from the property under a law, order, DEP consent order, or stipulated judgment to under no DEP or court order.

The commissioner may approve the developer for the program if he or she meets the above criteria and takes title to the property. If she does, the developer must:

1. remediate the property under DEP's voluntary remediation program,

2. investigate the property according to current standards and guidelines and remediate it according to state standards, and

3. eliminating any pollution that emanated or migrated from the property before the party took title.

Section 1 Redeveloping Mills in Floodplains

The act makes it easier for state agencies to develop or allow other to develop contaminated mill sites in floodplains. Under current law, an agency cannot implement or assist any type of project in a floodplain without first certifying to the DEP commissioner that the project meets certain criteria and that the agency will take steps to mitigate or prevent increased flooding. Among other things, the agency must certify that the project promotes long-term nonintensive uses and does not encourage new development in the floodplain by constructing or extending utilities needed to support that development.

The act exempts the agency from having to certify this condition if it can show that:

1. the mill will be remediated according to DEP standards,

2. the project site falls within the site of the mill's historic uses,

3. all critical activities (e.g., residential dwellings) are above the 500-year flood elevation, and

4. the project complies with the National Flood Insurance Program.

If the agency cannot show that the project meets these criteria, the agency may, as under current law apply to the commissioner for an exemption from the certification requirement.

Public Act# 09-4 September Special Session HB# 7003

HB 7003 AN ACT CONCERNING THE CONVEYANCE OF CERTAIN PARCELS OF STATE LAND

EFFECTIVE DATE: Upon passage

***SUMMARY*:**

This act:

1. authorizes conveyances of state property to the towns of Bridgeport, East Lyme, Putnam, South Windsor, and Trumbull;

2. amends prior conveyances in Greenwich, Griswold, Middletown, New Britain, New Haven, Norwalk, and Windham;

NEW CONVEYANCES

The act requires the following conveyances from the agencies to the towns named for the purpose specified:

1. DOT to South Windsor for economic development purposes, provided that proceeds from any sale or lease of the parcel must be deposited in the state's General Fund (1. 96 acres);

CONVEYANCE AMENDMENTS

It conveys property adjacent to the Air Rights Garage in New Haven to the city of New Haven, rather than transferring it to the Department of Mental Health and Addiction Services (DMHAS). The city must use the 2. 7-acre parcel for economic development; under the 2007 conveyance, DMHAS had to use it for Connecticut Mental Health Center parking. The conveyance to the city includes the typical conditions that it be made for administrative costs and subject to the SPRB's approval, and includes the reversion requirement. Under the act, New Haven may convey or lease all or part of the property for economic development and, if it does so, must transfer to the state any proceeds above the cost of improvements. New Haven must get State Traffic Commission and DOT approval to adjust the Route 34 right-of-way.

EASEMENTS

The act requires DOT to convey to Danbury, for the fair market value of a defined trail corridor, an easement over DOT land for the creation of the Ives Trail and Greenway. DPW must grant an easement in favor of Norwich at Three Rivers Community College along New London Turnpike to provide sidewalks and a snow shelf area.

Public Act# 09-2 September Special Session HB# 7004

HB 7004 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

EFFECTIVE DATE: Upon passage

***SUMMARY*:**

GO BOND AUTHORIZATIONS

A summary of DECD related items appears below.

Authorizations for Grant and Loan Programs

The act authorizes bonds for grants and loans various purposes for FY 10 and FY 11 as shown in Table 1.

TABLE 1: BOND AUTHORIZATIONS FOR GRANT AND LOAN PROGRAMS

Section	*Agency*	*Purpose/Fund*	*FY 10*	FY 11
1	Office of Policy & Management	Small Town Economic Assistance Program (STEAP) economic and community development project grants	$ 20,000,000	*$ 20,000,000*
2	Office of Policy & Management	Local Capital Improvement Program (LOCIP)	30,000,000	*30,000,000*
34 (a)	Environmental Protection	Grants: ● To contain, remove, or mitigate identified hazardous waste disposal sites and to municipalities for new water mains to replace supply from contaminated wells ● To identify, investigate, contain, remove, or mitigate industrial sites in urban areas ● To municipalities to acquire land for public parks, recreational and water quality improvements, water mains and water pollution control projects ● To municipalities for providing potable water	16,000,000	*0*
34 (b)(1)	**Economic and Community Development**	**Brownfields Pilot Program**	**5,000,000**	***0***
34 (b)(2)	**Economic and Community Development**	**Loans for installing new vehicle pumps or converting gas or diesel pumps to alternative fuels**	**2,000,000**	***0***
49 (a)	Agriculture	Farm Reinvestment Program	0	*500,000*
69	*Agriculture*	*Farmland Preservation*	*2,500,000*	*10,000,000*

Authorizations for State Agency Capital Projects

The act authorizes state GO bonds for FY 10 and FY 11 for the state agency capital projects listed in Table 2.

TABLE 2: AUTHORIZATIONS FOR STATE AGENCY CAPITAL PROJECTS

Section	*Agency*	*For*	*FY 10*	*FY 11*
42 (a) (2)	Policy and Management	CORE financial system associated with results-based accountability – design and implementation of databases	0	1,500,000

STO BOND AUTHORIZATIONS

Sections 7-18 — DOT Projects

The act authorizes special tax obligation (STO) bonds to the Department of Transportation (DOT) for transportation-related capital projects as shown in Table 3.

TABLE 3: STO BOND AUTHORIZATIONS FOR DOT PROJECTS

	FY 10	**FY 11**
Bureau of Aviation and Ports		
Reconstruction and improvements to the warehouse and State Pier in New London, including site and ferry slip improvements	200,000	*300,000*
Developing and improving general aviation airports, including grants to municipal airports excluding Bradley International Airport	2,000,000	*2,000,000*
Bureau of Public Transportation		
Bus and rail facilities and equipment, including rights-of-way, other property acquisition, and related projects	40,000,000	*40,000,000*
Construct rail maintenance facilities	250,000,000	*0*

Section 25 — NONPROFIT COLLABORATION INCENTIVE GRANT PROGRAM

The act establishes a nonprofit collaboration incentive grant program and authorizes $ 5 million in GO bonding to fund it. It requires the Office of Policy and Management (OPM) secretary to use the funds to provide grants to nonprofit organizations for infrastructure costs arising from any collaboration between two or more organizations to consolidate programs and services. Organizations can use the grants to:

1. buy and improve facilities;

2. refinance facility loans;

3. buy equipment;

4. fund energy conservation, transportation, and technology projects;

5. pay planning and administrative costs related to the above activities; and

6. engage in other activities authorized under the program guidelines.

By February 1, 2010, the act requires the OPM secretary to consult with the Human Services Committee chairpersons and representatives of nonprofit organizations receiving state funding to

develop guidelines for (1) administering the grant program, (2) grant eligibility criteria, (3) spending grant funds, and (4) prioritizing grant awards.

Starting by March 1, 2010, the secretary must publish an annual notice that the grant is available and solicit proposals. Eligible organizations must submit funding applications when and how the secretary prescribes. The secretary must use the program guidelines to review applications and determine the projects and amounts to be funded.

Section 62 — GRANT TO THE CHILDREN'S MUSEUM OF WEST HARTFORD

The act designates the Children's Museum of West Hartford instead of the town of West Hartford for the Science Center of Connecticut as the recipient of a $500,000 grant from the Department of Economic and Community Development bond authorization. It expands the grant's purpose from site acquisition and improvements only to planning and development, including site acquisition, construction, renovation, capital equipment, improvements, and relocation.

Section 65 — LEGISLATIVE REVIEW OF STATE RAIL PLAN

The act requires the state rail plan to be reviewed by the Transportation and Finance, Revenue and Bonding committees before the Department of Transportation (DOT) submits it to the federal government as required under federal law. DOT must submit the plan to these committees at least 60 days before submitting it to the federal government. In doing so, DOT must describe the process it used to prepare the plan, the people and entities it consulted, any recommendations it received from municipalities and regional planning organizations regarding the plan, and how it responded to these recommendations.

The committees must hold a joint hearing on the plan within 30 days after receiving it. And, within 14 days after the hearing, they must advise DOT about any suggested modifications to the plan.

EFFECTIVE DATE: October 1, 2009

Section 66 — RIGHT OF FIRST REFUSAL OF RAIL OR TRACK MATERIAL

The act requires the transportation commissioner to offer rail or track material to freight railroad companies for upgrading state state-owned rights-of-way. It requires him to do so before directly or indirectly selling, transferring, or otherwise disposing this property. He must also offer any remaining rail or track material to these companies for upgrading other rails located in Connecticut.

If a company accepts the commissioner's offer, the commissioner must transfer the rail or track material to company's designated material site and charge the company for doing so. The amount depends on whether the property will be used to upgrade a state-owned right-of-way. If it is, the charge cannot exceed the value, as scrap, of the materials replaced by those the commissioner transfers. If the transferred materials are used to upgrade non state-owned rights-of-way, the charge cannot exceed the value, as scrap, of the materials transferred by the commissioner.

EFFECTIVE DATE: October 1, 2009

Section 67 — RAILROAD CROSSING STUDY

The act requires the transportation commissioner to report to the legislature every three years on any railroad crossing at grade, beginning October 1, 2009. He must submit the reports to the Transportation and Finance, Revenue and Bonding Committees. The reports must:

1. list all the at grade rail crossings in Connecticut,

2. identify those that create hazardous conditions,

3. indicate how much it would cost to upgrade the crossing or eliminate the hazardous,

4. indentify federal and other funding sources for doing this work, and

5. rank the upgrades or eliminations listed in the report.

Reports submitted after the initial report must also describe the progress made in upgrading or eliminating hazardous at-grade crossings.

EFFECTIVE DATE: October 1, 2009

Section 68 — MATCHING GRANTS FOR COMMERCIAL FREIGHT RAIL LINES

A 2007 act authorized up to $10 million in GO bonds to the DOT to provide competitive matching grants for commercial freight rail lines operating in Connecticut. Recipients must use the grants to improve, repair, and modernize existing rails, rail beds, and related facilities.

This act eliminates the requirement that the grants be matching grant and requires the program to include grants for 100% of amounts needed for improving, repairing or modernizing state-owned rights of way and grants for 70% of amounts needed to modernize, repair, or improve privately owned rail lines. The act authorizes the DOT commissioner to waive the 30% grant match for privately owned rail lines if the work is shown to increase rail freight traffic.

The act also requires the commissioner to give preference to grants for freight rail projects (1) on DOT's list of project eligible for funding under the 2009 federal stimulus act, (2) that improve at-grade crossings to eliminate hazards or increase safety, and (3) that connect to major freight generators.

EFFECTIVE DATE: October 1, 2009

Section 70 — SALE OF MUNICIPAL BONDS BY NEGOTIATION

The act allows municipalities, with their legislative bodies' approval, to sell certain types of bonds by negotiation rather than by public bid. In doing so, it overrides local charters and special acts to the contrary.

The authorization applies to taxable bonds carrying a federal tax credit to subsidize interest ("tax credit bond") and to any bond issue containing an "advance refunding issue" (bonds issued to refinance previously issued bonds before they mature).

Section 71 — MAXIMUM TERM FOR MUNICIPAL BONDS TO COVER JUDGMENTS

By law, municipalities and regional school districts may issue bonds, notes, or other obligations to pay a judgment, compromised or settled claim, or meet any other court-ordered payment, other than an award arising from an employment contract, if the payment exceeds 5% of its total annual tax revenue or $ 250,000, whichever is less. Such borrowing may also be used to fund a reserve for property or casualty losses. The act extends the maximum term of such borrowing from 15 to 20 years.

Public Act# 09-5 September Special Session HB# 7005

HB 7005 AN ACT IMPLEMENTING THE PROVISIONS OF THE BUDGET CONCERNING HUMAN SERVICES AND MAKING CHANGES TO VARIOUS SOCIAL SERVICES STATUTES

SUMMARY:

This act implements provisions of the budget pertaining to human services.

EFFECTIVE DATE: Upon passage

A summary of DECD related items appears below.

Section 3 — Attorney General- Initiated Civil Actions

The act authorizes the attorney general to investigate any alleged violations. Information obtained during the investigations is exempt from disclosure under the state Freedom of Information Act. If the attorney general finds that a violation has occurred or is occurring, he can bring a civil action in Hartford Superior Court.

Section 4 — Other Civil Actions

The act also authorizes any other person to bring a civil action against a violator in the person's and the state's behalf. These actions subsequently can be withdrawn only if the court and the attorney general give written consent and their reasons for doing so. In these actions or actions under the federal False Claims Act, only the state can intervene or bring a related action based on the facts underlying the pending action.

The person bringing the action must provide a copy of the complaint and written disclosure of substantially all material evidence and information he or she possesses by serving the attorney general in the same way civil actions are brought against the state. Among other things, this includes

leaving a true and attested copy of the process, including the declaration or complaint, at the Attorney General's Office in Hartford.

The complaint must be filed *in camera* (in private), remain sealed for at least 60 days, and cannot be served on the defendant until a court orders it. The motion can be supported by *in camera* affidavits or other submissions. The court, upon the attorney general's motion, can, for good cause, extend the time during which the complaint is sealed. Before the sealed period ends, the attorney general must (1) proceed with the action, which he must conduct or (2) notify the court that he has declined to take over the action, in which case the person can proceed to bring the action.

If the court orders that the complaint be unsealed and served, the Superior Court must issue an appropriate order requiring the same notice that is ordinarily required to bring a civil action. The defendant cannot be required to respond to any complaint until 30 days after he or she is served.

Section 5 — Attorney General Proceeds With or Withdraws From Action

If the attorney general decides to proceed with the action, he has the primary responsibility for prosecuting it and is not bound by any act of the person bringing it. But the person bringing the action has the right to continue as a party to it, subject to limits described below.

The act authorizes the attorney general to withdraw the action regardless of any objections the person bringing it has if the attorney general notifies the person of his motion (presumably to withdraw) and the court provides the person the opportunity for a hearing on it. Likewise, the attorney general can settle with the defendant even if the person bringing the action objects if the court, after a hearing, determines that the proposed settlement is fair, adequate, and reasonable under all the circumstances. These hearings can be held *in camera* for good cause.

Section 13, 14 — Proving Essential Elements Through Preponderance of Evidence

Under the act, whoever brings the FCA action must prove all its essential elements, including damages, by a preponderance of the evidence.

The act also specifies that regardless of any other contrary state law, a final judgment for the state's favor against a defendant in any criminal proceeding charging fraud or false statements, whether after a trial or plea of guilty or no contest, prevents the defendant from denying the essential elements of the offense in a civil action that involves the same transaction as the criminal proceeding.

Section 5(d) — Court Limits on Person's Participation in Action

The act gives the court discretion to limit participation by the person bringing the action when either the attorney general or defendant can show cause. Specifically, the attorney general must show that unrestricted participation would (1) interfere with or unduly delay his prosecution of the case or (2) be repetitious, irrelevant, or for harassment. The defendant must show that unrestricted participation would be for harassment or would cause him or her undue burden or unnecessary expense. The court can limit (1) the number of witnesses the person can call, (2) the length of their testimony, (3) cross-examination, and (4) their participation in other ways it chooses.

Section 5(e) (f) — Rewards for Person Bringing Actions

The act provides that if (1) the court awards civil penalties or damages to the state or (2) the attorney general settles and receives civil penalties or damages, the person bringing the action must receive between 15% and 25 % of the proceeds, based on the extent to which he or she substantially contributed to the prosecution.

The court can award the person less than 15% in certain cases. When it finds that the action is based primarily on disclosures or specific information relating to allegations or transactions (1) in a criminal, civil, or administrative hearing; (2) in a report, hearing, audit, or investigation conducted by the General Assembly or one of its committees, the state auditors, or a state agency or quasi-public agency; or (3) from the news media, the court may award the person an amount it deems appropriate, but no more than 10% of the proceeds, taking into account the significance of the information and the person's role in advancing the case to litigation.

In either instance, the person must also receive an amount for the reasonable expenses that the court finds he or she incurred necessarily, plus reasonable attorney fees and costs. The defendant must pay all of these expenses, fees, and costs.

Section 6 — When Attorney General Declines to Proceed

The act empowers the person bringing the action to conduct it when the attorney general declines to proceed. If the attorney general makes this decision and asks, the court must order that copies of all pleadings filed in the action and of any deposition transcripts be provided to the state. When the person proceeds with the action, the court, without limiting the person's status or rights, can permit the attorney general to intervene at a later date if he can show good cause.

When Individual Prevails. The act provides rewards for people bringing or settling these actions that the court decides are reasonable. The award is between 25% and 30% of the proceeds. As with the actions the attorney general brings, the person must also be reimbursed for expenses and legal fees and costs.

When Defendant Prevails. Under the act, if the defendant prevails in these actions and the court finds that the claim was clearly frivolous or vexatious or brought primarily to harass, the court can require the person bringing the action to pay the defendant's attorney fees and expenses.

Stays of Discovery. The act provides that whether or not the attorney general proceeds with an action, if he requests and can show that certain motions or requests for discovery by the person bringing the action would interfere with the state's investigation or prosecution of a criminal or civil matter arising from the same facts, the court can stay the discovery for up to 60 days. This showing must be done *in camera*. The court can extend the stay for an additional 60 days upon further *in camera* showing that the state has pursued its investigation or proceedings with reasonable diligence and any proposed discovery in the individual's civil action will interfere with the state's case. The act allows the chief state's attorney or state's attorney for the appropriate judicial district to explain to the court the potential impact of the discovery on a pending criminal investigation or prosecution.

Section 7 — Alternate Means to Pursue State's Claim

The act authorizes the attorney general to pursue the state's claim through any alternate remedy available to the state, including an administrative proceeding to determine a civil penalty. If he pursues an alternate remedy, the person bringing the action has the same rights as he or she would have had if the action had continued in court. Any fact finding or conclusion of law made in an alternate proceeding that has become final is conclusive on all parties to court actions. A finding or conclusion is final if it has been finally determined on appeal to the appropriate state court, if the time for filing an appeal has expired, or if it is not subject to judicial review.

Section 8 — When the Person Bringing the Action Planned or Initiated the Violation

The action provides that if the court finds that the action was brought by someone who planned and initiated the violation upon which the action is brought, the court can reduce the share of the proceeds the person would otherwise receive (10-30%), taking into account the person's role in advancing the case to litigation and any relevant circumstances relating to the violation.

If the person bringing the action is convicted of criminal conduct arising from his or her role in the violation, he or she must be dismissed from the civil action and may not receive any share of the proceeds. A dismissal does not prejudice the attorney general's right to continue the action.

Section 9 — Court Jurisdiction Limited

Unless the attorney general brings the action or the person bringing it is an original source of the information, the act provides that the court does not have jurisdiction over an action:

1. against a member of the General Assembly or the judiciary, an elected state officer or a state department head if the action is based on evidence or information known to the state when the action was brought;

2. that is based on allegations or transactions that are the subject of a civil suit or an administrative civil penalty proceeding in which the state is already a party; or

3. that is based on the public disclosure of allegations or transactions (a) in a criminal, civil, or administrative hearing; (b) in a report, hearing, audit, or investigation conducted by the General Assembly or one of its committees, the state auditors, a state agency, or quasi-public agency; or (c) from the news media An “original source” means an individual who has direct and independent knowledge of the information on which the allegations are based and has voluntarily provided it to the state before filing the action based on the information.

The court likewise has no jurisdiction over actions brought by a person who knew or had reason to know that the attorney general or another state law enforcement official knew of the allegations or transactions before the person filed the action or disclosed the material evidence to the attorney general.

Section 10 — No State Liability for Expenses Incurred by Individuals Bringing Actions

The act provides that the state is not liable for expenses that a person bringing an action incurs.

Section 11 — Whistle-Blower Protections

The act provides that any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against by his or her employer because the employee lawfully acts on his, her, or others' behalf in furthering one of the act's actions, including investigating, initiating, or testifying or assisting in, an action filed or to be filed under the act is entitled to all relief necessary to make the employee whole.

This relief, which the employee can request through Superior Court, must include (1) reinstatement with the same seniority status that the employee would have had except for the discrimination and (2) twice the amount of any back pay, plus interest on it, and compensation for any special damages that the discrimination caused, including litigation costs and reasonable attorneys' fees.

Section 12 — Statute of Limitations

The act specifies that any FCA action it permits cannot be brought (1) more than six years after the date the violation occurs or (2) more than three years after the date when material facts are known or reasonably should have been known by the state official charged with acting on them, whichever occurs later, but in no event can an action be brought more than 10 years after the date the violation is committed.

Section 15 — Non-Exclusivity of Remedies

The act provides that its FCA provisions and the state Whistleblower law are not exclusive and that the remedies it provides are in addition to any others provided in state, federal, or common law.

Section 17 — Authority for Attorney General to Act; Confidentiality of Records

By law, the attorney general has the power to summon witnesses and take other steps when investigating complaints brought to the state auditors against state or quasi-public agencies or involving large state contracts. The act extends this authority to enable him to begin investigating suspected FCA violations until he files a civil action under the act.

The act also provides that neither the state auditors nor the attorney general may disclose the identity of the person who provided information under these FCA provisions without his or her consent unless the auditors or attorney general determine that disclosure is unavoidable. By law they may withhold records of the investigation while it is occurring.

The act also exempts from disclosure under the Freedom of Information Act records of an investigation or the name of an employee providing information under the FCA.

Section 18 — False Claims Report

The act requires the attorney general to submit a report to the General Assembly and the governor beginning on the 30th day after the act's passage and annually thereafter that provides:

1. the number of civil actions he and private individuals filed under the FCA during the previous calendar year;

2. with respect to civil actions filed by private individuals during that period, the number that remain under seal, the number of action filed by court location, the state agency or program involved in the action, and the number of actions filed by people who previously filed actions under the federal FCA or another state's act;

3. any known amount the state recovered from these actions in settlements, damages, penalties, and litigation costs; and

4. for all recoveries, the case number and parties; a breakdown of damages, penalties, and litigation costs; and the amount and per cent paid by the state to the person who brought the civil action.

The act requires the attorney general to include in his first report information on false claim actions brought under the FCA that the act establishes during this past. However, the FCA provisions are effective upon passage and were not in existence during the previous year; thus, it does not appear that the attorney general can provide any information in the first report.

Sections 80-81 — LOW-INCOME ENERGY ADVISORY BOARD

By law, DSS must submit an annual plan and two annual reports regarding the federal Low-Income Home Energy Assistance Program block grant to the Appropriations, Energy and Technology, and Human Services committees by specified deadlines. The act requires DSS to submit these documents to the Low-Income Energy Advisory Board at least 7 days before submitting them to the committees. The plan sets eligibility criteria for energy and weatherization assistance and describes program outreach efforts, among other things. The reports describe such things as (1) the number of households who apply for and receive assistance, (2) expenditures by type of assistance, and (3) the types of weatherization provided.

The act expands the board's responsibilities to include making recommendations to the legislature on the administration of the block grant program.

Section 82 — ENERGY ASSISTANCE

PA 09-3 carries forward funds appropriated to OPM in 2008 to provide money to Operation Fuel, Incorporated to expand its emergency energy assistance program. Under that act, Operation Fuel must use the money during FY 10 to help households with incomes between 150% and 200% of the federal poverty level that cannot pay their electric, gas, or deliverable fuels (e. g. , heating oil) acts on time. This act specifies that this assistance can be provided regardless of whether these are the household's primary or secondary energy sources, e. g. , the assistance can be used to help pay electric acts for a household that uses electric space heaters to supplement its oil or gas furnace.

Section 88 — ASSISTED LIVING SERVICES

By law, the commissioner of the Department of Economic and Community Development (DECD) established an assisted living demonstration program for low- and moderate-income seniors living in government subsidized elderly housing in four locations.

Notwithstanding this program, the act allows the DECD commissioner, in consultation with the DSS commissioner and the OPM secretary, to designate a Federal Department of Housing and Urban Development Section 202 or Section 236 elderly housing development to provide assisted living services to individuals otherwise eligible to receive these services under the CHCPE.

Public Act# 09-7 September Special Session HB# 7007

AN ACT IMPLEMENTING THE PROVISIONS OF THE BUDGET CONCERNING GENERAL GOVERNMENT AND MAKING CHANGES TO VARIOUS PROGRAMS

SUMMARY:

This bill appropriates funds for state agencies and programs to the General Fund and Special Transportation Fund for FY 10 and FY 11 notwithstanding the budget act (PA 09-3, June Special Session (JSS)). A full summary of the bill's budget provisions (§§ 1-4) may be found in the Office of Fiscal Analysis (OFA) fiscal note.

A summary of DECD related items appears below.

Section 7 — QUASI-PUBLIC AGENCY QUARTERLY REPORTS

The bill requires the board of directors of each quasi-public agency to file a quarterly report with OFA on the money it received or held during the quarter. The report must, at a minimum, account for all the agency's revenue and expenditures. Under the bill, (1) "revenue" means any addition to cash or other current assets that is neither an increase in a liability nor the recovery of an expenditure and (2) "expenditures" are amounts paid for any purpose, including expenses, debt retirement, and capital outlays.

The agencies must start the quarterly reports with the quarter beginning July 1, 2009. The bill does not specify when the reports are due.

The quasi-public agencies are the Connecticut Development Authority, Connecticut Innovations, Inc., Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority (CHFA), Connecticut Housing Authority, Connecticut Resources Recovery Authority, Capital City Economic Development Authority, and Connecticut Lottery Corporation. (The Connecticut Housing Authority has been succeeded by the State Housing Authority, a subsidiary of CHFA.)

The quarterly reports the bill requires are in addition to the annual reports each agency must already submit to the governor, the Auditors of Public Accounts, and the Program Review and Investigations Committee. The annual reports must include information about each agency's bond issues, projects,

financial assistance over $ 5,000 to individuals, balance sheet, affirmative action policies and efforts, and planned activities for the year.

EFFECTIVE DATE: Upon passage

Section 8 — OPM REPORTS ON GENERAL OBLIGATION BOND FUNDS

The bill requires the Office of Policy and Management (OPM), in consultation with the state treasurer, to report on General Obligation (GO) bond funds to the Bond Commission, the Finance, Revenue and Bonding Committee, and OFA by January 1 annually. The report must identify all fully-issued GO bond funds and (1) describe the projects that may be eligible for funding under each fund, (2) identify which funds are encumbered, and (3) account for expenditures from each fund for the last five years or since the fund's inception if it is less than five years old.

The law allows the treasurer, with the Bond Commission's approval, to transfer to the General Fund unexpended GO bond proceeds that are no longer needed for any of the purposes or projects for which the bonds were issued. The bill requires the annual report to identify any fully-issued and unencumbered GO bond funds from which no expenditures have been made for at least five years that the treasurer has identified as being fully eligible for this transfer.

EFFECTIVE DATE: Upon passage

Section 9 — NONAPPROPRIATED AGENCY FUNDS

The bill requires the OPM secretary, by November 15, 2010, and annually thereafter, to submit to the Appropriations and Finance, Revenue and Bonding committees a summary in electronic database format of all nonappropriated moneys held by each budgeted agency, for the biennium commencing July 1, 2011, and each biennium thereafter. The summary must be an accounting of moneys received or held by the agency at the end of the last-completed fiscal year that are authorized or received in any way other than as an appropriation. The summary must be in a form consistent with accepted accounting practices.

EFFECTIVE DATE: Upon passage

Section 10 — AGENCY REPORTS TO OFA

The bill expands the information that the administrative heads of budgeted agencies must transmit to OFA. Under current law, they must submit the agency's monthly financial status and personnel status reports. The bill additionally requires them to transmit a non-appropriated moneys status report that accounts for money received or held by the agency that were received or authorized by means other than appropriations. The accounting must include an assessment of any agency fund or account receiving or holding such money. The assessment must at a minimum account for all expenditures, encumbrances, reimbursements, and revenues.

Under current law, budgeted agencies must transmit revenue and expenditure estimates to OFA in addition to the requirements described above. If they do not, the OPM secretary must cause the estimates to be prepared for them. The bill extends the OPM requirement to the status reports.

EFFECTIVE DATE: Upon passage

Sections 12-14 — TOURISM DISTRICT CONSOLIDATION

The state markets and promotes its tourism attractions through the Connecticut Commission on Culture and Tourism (CCCT) and five regional tourism districts, which are governed by municipal and tourism industry representatives. The bill consolidates the districts into three by eliminating the South Central and Southwestern districts and expanding the remaining two districts to include the towns from the eliminated districts. It also renames one of the remaining districts to reflect its expanded region and makes conforming technical changes. As Table 1 shows, the bill reassigns 34 towns to the expanded districts.

Table 1: Tourism District Reassignments

Town	*Current Districts*	*Consolidated Districts*
Bethany	South Central	Central
Branford	South Central	Central
Bridgeport	Southwestern	Western
Cheshire	South Central	Central
Clinton	South Central	Central
Darien	Southwestern	Western
Durham	South Central	Central
East Haven	South Central	Central
Easton	Southwestern	Western
Fairfield	Southwestern	Western
Greenwich	Southwestern	Western
Guilford	South Central	Central
Hamden	South Central	Central
Killingworth	South Central	Central
Madison	South Central	Central
Middlefield	South Central	Central
Milford	South Central	Central
Monroe	Southwestern	Western
New Canaan	Southwestern	Western
New Haven	South Central	Central
North Branford	South Central	Central
North Haven	South Central	Central
Norwalk	Southwestern	Western
Orange	South Central	Central
Shelton	Southwestern	Western
Stamford	Southwestern	Western
Stratford	Southwestern	Western

Trumbull	Southwestern	Western
Wallingford	South Central	Central
West Haven	South Central	Central
Weston	Southwestern	Western
Westport	Southwestern	Western
Wilton	Southwestern	Western
Woodbridge	South Central	Central

Table 2 compares the makeup of the current and consolidated districts.

Table 2: Tourism District Consolidation

Old Districts and Member Towns	***Consolidated Districts and Member Towns ****
Eastern: Ashford, Bozrah, Brooklyn, Canterbury, Chaplin, Colchester, Columbia, Coventry, East Lyme, Eastford, Franklin, Griswold, Groton, Hampton, Killingly, Lebanon, Ledyard, Lisbon, Lyme, Mansfield, Montville, New London, North Stonington, Norwich, Old Lyme, Plainfield, Pomfret, Preston, Putnam, Salem, Scotland, Sprague, Sterling, Stonington, Thompson, Union, Voluntown, Waterford, Willington, Windham, and Woodstock	Eastern (No Change) Ashford, Bozrah, Brooklyn, Canterbury, Chaplin, Colchester, Columbia, Coventry, East Lyme, Eastford, Franklin, Griswold, Groton, Hampton, Killingly, Lebanon, Ledyard, Lisbon, Lyme, Mansfield, Montville, New London, North Stonington, Norwich, Old Lyme, Plainfield, Pomfret, Preston, Putnam, Salem, Scotland, Sprague, Sterling, Stonington, Thompson, Union, Voluntown, Waterford, Willington, Windham, and Woodstock
Central: Andover, Avon, Berlin, Bloomfield, Bolton, Canton, Chester, Cromwell, Deep River, East Granby, East Haddam, East Hampton, East Hartford, East Windsor, Ellington, Enfield, Essex, Farmington, Glastonbury, Granby, Haddam, Hartford, Hebron, Manchester, Marlborough, Meriden, Middletown, New Britain, Newington, Old Saybrook, Plainville, Portland, Rocky Hill, Somers, South Windsor, Southington, Simsbury, Stafford, Suffield, Tolland, Vernon, Windsor Locks, West Hartford, Westbrook, Wethersfield, and Windsor.	Central: Andover, Avon, Berlin, *Bethany*, Bloomfield, Bolton, *Branford,* Canton, *Cheshire,* Chester, *Clinton,* Cromwell, Deep River, *Durham,* East Granby, East Haddam, East Hampton, East Hartford, *East Haven,* East Windsor, Ellington, Enfield, Essex, Farmington, Glastonbury, Granby, *Guilford,* Haddam, *Hamden,* Hartford, Hebron, *Killingworth, Madison,* Manchester, Marlborough, Meriden, *Middlefield,* Middletown, *Milford,* New Britain, *New Haven,* Newington, *North Branford, North Haven,* Old Saybrook, *Orange,* Plainville, Portland, Rocky Hill, Somers, South Windsor, Southington, Simsbury, Stafford, Suffield, Tolland, Vernon, West Hartford, Westbrook, Wethersfield, Windsor, Windsor Locks, and *Woodbridge*
Northwestern: Ansonia, Barkhamsted, Beacon Falls, Bethel, Bethlehem, Bridgewater, Bristol, Brookfield, Burlington, Canaan, Colebrook, Cornwall, Danbury, Derby, Goshen, Hartland, Harwinton,	Western: Ansonia, Barkhamsted, Beacon Falls, Bethel, Bethlehem, *Bridgeport,* Bridgewater, Bristol, Brookfield, Burlington, Canaan, Colebrook, Cornwall, Danbury, *Darien,* Derby, *Easton,*

Kent, Litchfield, Middlebury, Morris, Naugatuck, New Fairfield, New Hartford, New Milford, Newtown, Norfolk, North Canaan, Oxford, Plymouth, Prospect, Redding, Ridgefield, Roxbury, Salisbury, Seymour, Sharon, Sherman, Southbury, Thomaston, Torrington, Warren, Washington, Washington, Waterbury, Watertown, Winchester, Wolcott, and Woodbury	*Fairfield,* Goshen, *Greenwich,* Hartland, Harwinton, Kent, Litchfield, Middlebury, Morris, Naugatuck, New Fairfield, New Hartford, New Milford, *Monroe, New Canaan,* Newtown, Norfolk, North Canaan, *Norwalk,* Oxford, Plymouth, Prospect, Redding, Ridgefield, Roxbury, Salisbury, Seymour, Sharon, *Shelton,* Sherman, Southbury, *Stamford, Stratford,* Thomaston, Torrington, *Trumbull,* Warren, Washington, Washington, Waterbury, Watertown, *Weston, Westport, Wilton,* Winchester, Wolcott, and Woodbury
South Central: Bethany, Branford, Cheshire, Clinton, Durham, East Haven, Guilford, Hamden, Killingworth, Madison, Middlefield, Milford, New Haven, Orange, North Branford, North Haven, Wallingford, West Haven, and Woodbridge.	Eliminated
Southwestern: Bridgeport, Darien, Easton, Fairfield, Greenwich, New Canaan, Monroe, Norwalk, Shelton, Stamford, Stratford, Trumbull, Weston, Westport, and Wilton	Eliminated

● Italicized towns added to district

The bill requires CCCT to help the consolidated Central and Western districts establish committees to draft charters and bylaws and organize the initial meeting of their respective boards of directors. CCCT must do this by February 1, 2010 and the districts' respective boards must hold their initial meetings by February 15, 2010. Prior law required CCCT to help the current districts complete these tasks when they were designated in 2003. The bill requires the central regional district's office to be located in CCCT's Hartford office.

EFFECTIVE DATE: January 1, 2010

Sections 15-17 — LIMITS ON STATE PILOT PAYMENTS FOR CERTAIN MACHINERY AND EQUIPMENT

This bill caps annual state payments in lieu of taxes (PILOTs) to municipalities for manufacturing machinery and equipment eligible for mandatory exemptions from local property taxes.

By law, depending on when it was acquired, eligible equipment and machinery used in manufacturing, biotechnology, or recycling is either fully exempt from local property taxes or partially exempt until July 1, 2013 and fully exempt thereafter. The law also requires the state to make PILOT payments to municipalities to compensate them for lost revenue. The bill requires these payments to be proportionately reduced in any year in which the total amount payable exceeds the state's budgeted appropriation for such payments.

The bill also continues the existing cap on annual PILOT payments to municipalities for revenue lost from the required 80% property tax exemption for new commercial trucks. Under current law and the bill, those payments must be reduced if the total amount payable in any year exceeds the state's budget appropriation for the payments.

EFFECTIVE DATE: Upon passage

Section 18 — CONVERT STATE EMPLOYEE HEALTH PLAN TO SELF-INSURANCE

By law, the comptroller solicits bids and enters into contracts with insurance carriers to provide health insurance for state employees and retirees. The bill requires the comptroller to begin the process of converting the state employee health insurance plans, including pharmacy benefits but excluding dental benefits, to a self-insured arrangement for benefit periods beginning July 1, 2010 and later. (Under an agreement between the state and a coalition of state employee unions, the state began self-insuring pharmacy benefits July 1, 2008.)

The bill authorizes the comptroller to contract with companies to provide administrative services for the self-insured state plan. Under the bill, the state's contract for administrative services must require the insurer to charge the state its lowest available rate.

EFFECTIVE DATE: Upon passage

Section 20 — NEXT STEPS INITIATIVE

The bill authorizes funds to (1) provide rental assistance and services for the Next Steps Initiative's Round 3 development projects and (2) pay for debt service on the bonds issued to finance the projects. Specifically, the bill authorizes for Round 3 development projects of the Next Step Initiative up to:

1. $ 264,000 of the funds appropriated to the Department of Social Services (DSS) during the current biennium under PA 09-3, JSS for Homeless/Housing Services;

2. $ 510,000 in FY 10 and $ 1 million in FY 11 of the funds appropriated to the Department of Mental Health and Addiction Services (DMHAS) under PA 09-3, JSS for Housing Supports and Services; and

3. $ 1 million of the funds appropriated to the treasurer to pay debt service under PA 09-3, JSS during the current biennium.

The bill requires any of these authorized funds that are not used for Round 3 to be used for other rental assistance and services for new scattered site supportive housing.

By law, the Next Step Initiative provides affordable housing and support services for people and families affected by psychiatric disabilities and chemical dependency who are homeless or risk homelessness, and for supervised ex-offenders with serious mental health needs, among others. The law allows the state to provide the Connecticut Housing Finance Authority (CHFA) state funds to pay

debt service on bonds it issued for mortgage loans under the Next Step Initiative. Round 3 was authorized under PA 08-123.

EFFECTIVE DATE: Upon passage

Section 33 — CONNECTICUT CAREER CHOICES

The bill requires the Office of Workforce Competitiveness (OWC) to fund Connecticut Career Choices within available appropriations. Connecticut Career Choices is an OWC initiative to stimulate and develop high school students' interest and skills in science, technology, engineering, and math.

EFFECTIVE DATE: Upon passage

Section 34 — DRY CLEANING ESTABLISHMENT REMEDIATION ACCOUNT

This account provides grants to owners or operators of dry cleaning businesses to contain, remove, mitigate, or prevent pollution.

By law, the economic and community development commissioner must establish grant distribution procedures and criteria. The bill requires that the criteria specify a method to ensure timely payment of funds to grant recipients.

EFFECTIVE DATE: Upon passage

Sections 41 & 57 — COMMUNITY INVESTMENT ACCOUNT

The bill transfers $ 170,000 from the General Fund to the Community Investment Account (CIA).

The bill requires a total of $ 500,000 of CIA funds that four agencies receive for various purposes go to the General Fund in FY 10 ($ 125,000 from each agency). It requires the funds be transferred once all the distributions that the law requires from the account to those agencies are made. The agencies are the Department of Agriculture (DOAG), the Department of Environmental Protection (DEP), the Connecticut Commission on Culture and Tourism (CCCT), and the Connecticut Housing Finance Authority (CHFA). The CIA is funded by the fee people pay town clerks for each document recorded in municipalities' land records.

EFFECTIVE DATE: Upon passage

BACKGROUND — CIA

The law requires the CIA funds be distributed as follows:

1. 20% goes to CCCT, $ 200,000 of which must be used annually to supplement the Connecticut Trust for Historic Preservation's technical assistance and preservation activities and the remainder to supplement historic preservation activities;

2. 20% goes to CHFA to supplement new or existing affordable housing programs;

3. 20% goes to DEP for municipal open space grants; and

4. 40% goes to DOAG for a variety of uses, including:

a. $ 125,000, quarterly, for the agricultural viability grant program; and

b. $ 125,000 quarterly, for the farm transition program.

Under PA 09-229 and PA 09-3, JSS, the fund distribution set up to fund grants for milk producers expires on July 1, 2011, at which time the recording fee is set to decrease from the current $ 40 to the original $ 30 and the fund distribution returns to an equal 25% for each of the four agencies. (The temporary fee increase and fund redistribution, from July 1, 2009 to July 1, 2011, is intended to fund grants for milk producers.)

Sections 44-48 — AUDITS OF RECIPIENTS OF STATE FINANCIAL ASSISTANCE

Revised Threshold and Scope of Audit Requirements

By law, municipalities and other nonstate entities that receive substantial amounts of state funding must undergo a single audit. The bill defines a "single audit" as an audit that covers an entity's financial statements and state financial assistance. It increases, from $ 100,000 to $ 300,000, the amount of fiscal assistance a nonstate entity can receive from the state before it becomes subject to the state single audit and related laws. It increases, from $ 200,000 to $ 1 million, the total amount of annual revenue certain entities must have before they become subject to the law. It modifies what constitutes a political subdivision for this purpose to include all types of special districts, rather than just fire districts, fire and sewer districts, and municipal utilities. By law, political subdivisions also include such entities as the Metropolitan District Commission, regional school boards, and regional planning agencies.

Current law allows a nonstate entity to choose to have a program-specific audit instead of a single audit if all of the state financial assistance that it expended in the audit year was for a single program. The bill specifies that this option is not available if a grant agreement or state or regulatory provision governing the state financial assistance program requires a financial statement audit.

Auditor and OPM Discretion

The bill gives auditors and the OPM greater discretion in determining which programs to audit. It requires the OPM secretary periodically to issue a state single audit compliance supplement containing information to help independent auditors conduct state single audits. This information must at least identify state financial assistance programs and their significant compliance requirements and include suggested audit procedures for determining compliance, programs that are exempt from auditing requirements, and information relevant to the risk-based approach for use in determining major state programs that are subject to auditing requirements.

In addition to provisions that apply to all state programs, the law has a number of provisions that apply to major state programs. For example, the auditor must perform procedures to obtain an understanding of internal controls sufficient to plan the audit and the testing of internal controls to support a low assessed level of control risk for such programs.

Current law defines "major state program" as any non-exempt program for which total expenditures of state financial assistance by a nonstate entity during the applicable year exceeds the larger of (1) $ 100,000 or (2) 1% of the total amount of state financial assistance expended, excluding expenditures of an exempt program by the nonstate entity during the audited year. The bill instead allows the auditor to use a risk-based approach to determine which programs are major. The auditor's determination must include (1) factors consistent with requirements established by the U. S. Office of Management and Budget and (2) current and prior audit experience, oversight by state agencies and pass-through entities, and the risk inherent in state programs. (An example of a pass-through entity is a grantee who passes state funding on to a sub-grantee.)

Current law defines "exempt programs" as education cost sharing and various other educational grant programs. The bill instead allows the OPM secretary to designate programs as exempt after consulting with the Auditors of Public Accounts and the commissioner of the state agency that awarded the state financial assistance.

Related Changes

By law, if a nonstate entity subject to the auditing requirements fails to designate an auditor to conduct its audit, the cognizant agency must do so. The bill makes the nonstate entity responsible for paying the costs of any audit conducted by an auditor a cognizant agency designates.

By law, the cognizant agency may extend, by up to 30 days, the deadline for a nonstate entity to file copies of its audit with the relevant state agencies if the auditor making the audit and the entity's chief executive officer submit a joint request to the cognizant agency stating the reasons for the extension. The bill additionally requires that the request include an estimate of the time needed to complete the audit. It requires the auditor or chief executive officer to promptly provide any additional information the cognizant agency requires. Current law allows the cognizant agency to hold a hearing on the request. The bill instead allows the agency to require the auditor and officials of the nonstate entity to meet with its representatives.

By law, the audit must determine whether a nonstate entity has complied with the laws, regulations, and grant provisions of major state programs, and the auditor must select and test a representative number of transactions from each such program. The bill specifies that the auditor must do this to provide him or her with sufficient evidence of compliance.

By law, when the total expenditures of a nonstate entity's major state programs are less than 50% of its total expenditures of state financial assistance, excluding exempt program expenditures, the auditor must select and test additional programs to cover at least 50% of this total. The bill eliminates, in such cases, requirements that (1) the selection be carried out in accordance with relevant OPM regulations and (2) no more than two programs each of which has total state financial assistance expenditures between $ 25,000 and $ 100,000 be tested if needed to achieve the audit coverage.

EFFECTIVE DATE: Upon passage

Section 49 — COMMISSION ON ENHANCING AGENCY OUTCOMES

The bill expands the membership of the Commission on Enhancing Agency Outcomes created by PA 09-2 by adding the chairpersons of the Legislative Program Review and Investigations Committee, or their designees. Currently, the chairpersons and ranking members of the Appropriations Committee serve on the commission. The bill permits the committee chairpersons to be represented by designees, but not the ranking members.

Currently, the commission charge includes consideration of the merging of state agencies including, specifically, (1) the Department of Mental Health and Addiction Services and the Department of Social Services and (2) the Connecticut Commission on Culture and Tourism, portions of the Office of Workforce Competitiveness, and the Department of Economic and Community Development. The bill (1) eliminates these references to specific agencies in the commission's charge to consider merging state agencies and (2) adds consideration of streamlining state operations to its charge.

The bill also (1) requires the Legislative Program Review and Investigations Committee, as it determines and within existing budgetary resources, to assist the commission and (2) extends and revises the commission's reporting requirements. Currently, the commission has to submit a report of its findings and recommendations to the governor, the House speaker, and the Senate president by July 1, 2009 and the commission terminates no later than that date. The bill, instead, gives the commission until February 1, 2010 to submit an initial report identifying subjects for further study and until December 31, 2010 to submit a full report on its findings and recommendations. It allows the commission to continue in existence until December 31, 2011.

EFFECTIVE DATE: Upon passage

Section 50 — DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (DECD) STUDY OF AGENCY PROGRAMS

Special Act 09-14 requires the DECD commissioner to conduct a three-year study of the programs the agency initiated, conducted, or coordinated that promote and assist Connecticut businesses with international trade with African nations with whom the United States has diplomatic relations. Reports on each phase of the three-year study must be submitted to the Commerce Committee by July 1, 2010, July 1, 2011, and July 1, 2012. The bill (1) specifies that the study must be conducted **within available appropriations** and (2) makes a technical change to the statutory reference under which the report must be submitted.

EFFECTIVE DATE: Upon passage

Section 51 — TOURISM DISTRICT ANNUAL BUDGET SUBMISSIONS

The bill suspends for one year the Connecticut Commission on Culture and Tourism's (CCCT) authority to review and approve the regional tourism districts' proposed budgets and the requirement that districts submit copies of those budgets to OPM and the Appropriations; Commerce; and

Finance, Revenue and Bonding committees. It also changes the date by which the districts must submit their annual budgets to these committees.

Current law requires the districts to submit their proposed annual budgets to CCCT by June 1 annually. CCCT has until June 30 to review, comment, and recommend changes to them. If CCCT rejects a proposed budget, it must prepare an interim one, which remains in effect until CCCT approves a revised budget. The bill continues to require the districts to submit their proposed plans to CCCT by June 1, but suspends, until June 1, 2011, CCCT's authority to annually approve or reject them.

The bill also requires the districts to submit annually their budgets to the committees by March 15 beginning in 2011 rather than September 15.

Lastly, the bill suspends for one year the current requirement that districts spend no more than 20% of their state grant for administrative costs. It requires them to comply with this requirement beginning December 31, 2010.

EFFECTIVE DATE: January 1, 2010

Section 53- HOUSING INCENTIVE GRANTS

The law authorizes flat per-unit grants to municipalities that designate housing incentive zones and issue building permits for housing units to be built in these zones. Under current law, the grant for designating zones is $ 2,000 for each housing unit that can be built on developable land in the zone. The building permit grant is $ 5,000 for each single-family detached unit and $ 2,000 for each multifamily, duplex, and townhouse unit. The bill changes these flat per-unit grant amounts to maximum per-unit grant amounts and authorizes the OPM secretary to determine the grant amounts up to the authorized maximums. The law specifies the criteria for designating zones and the process for obtaining these grants.

EFFECTIVE DATE: Upon passage and applicable to grant payments beginning with those issued in FY 09.

Section 56 — GRANTS FOR MILK PRODUCERS

The bill authorizes the $ 10 million appropriated to the Department of Agriculture (DOAG) for “dairy farmers” under PA 09-3, JSS, to pay for grants to milk producers (i. e. , people, firms, or corporations registered as producers of milk for pasteurization). The grants are to be used to pay milk producers to make up the difference between the federal pay price and the minimum sustainable monthly cost of production for milk, as the law defines. The law (PA 09-229) defines the “federal pay price” as the Northeast monthly uniform price for milk in the Hartford zone pursuant to the U. S. Department of Agriculture's (USDA) Northeast Federal Milk Marketing Order. It sets the minimum sustainable monthly cost of production as 82% of the baseline determined by USDA's Economic Research Service for monthly average cost of production for a New England state. (Federal law governs the price paid to dairy farmers for milk. Generally, USDA marketing orders set the price for milk and milk products by region.)

Under current law, a milk producer is eligible for a grant beginning on the date of the first deposit into the Agriculture Sustainability Account, established under PA 09-229 to provide milk producers grants when the federal pay price falls below the minimum sustainable monthly cost. The bill instead specifies that the grants to milk producers from the $ 10 million appropriation are for the period between January 1, 2009 and June 30, 2009 and requires the commissioner to distribute the grants by November 1, 2009.

The bill specifies that the DOAG commissioner must calculate grant payments based on the amount of milk each milk producer generated between January 1 and June 30, 2009. Under existing law, for each month that the federal pay price is below the minimum sustainable monthly cost of production, a milk producer is entitled to an amount equal to the difference between the federal pay price and the minimum sustainable monthly cost of production, multiplied by the amount of milk the producer produced during the month.

The bill allows the commissioner to use up to $ 100,000 of the appropriated funds for grant administration.

EFFECTIVE DATE: Upon passage

Sections 60-61 — CCT MEMBERSHIP AND DECD COMMISSIONER'S POWERS AND DUTIES CONCERNING DIGITAL MEDIA AND MOTION PICTURE INDUSTRIES

The bill reduces the CCT's membership from 35 to 28 individuals by removing the seven members with experience relating directly to the production of digital media or motion pictures. Under current law, the governor and top six legislative leaders each appoint one such member.

The bill also authorizes the DECD commissioner to enhance and promote the digital media and motion picture industries in the state.

These changes conform to PA 09-3, JSS, which transferred to DECD the CCT's (1) administration of the film and digital media production and infrastructure tax credits and (2) powers and duties concerning digital media and motion picture promotion activities.

EFFECTIVE DATE: Upon passage

Section 62 — REGIONAL PLANNING AGENCY MEMBERSHIP

Regional planning agencies (RPAs), which operate in five of the state's 15 planning regions, are governed by boards consisting entirely of municipal representatives. Under prior law, each municipality belonging to an RPA was entitled to at least two board representatives. PA 09-80 increased that number to three by making each municipality's chief elected official (CEO), or his or her designee, a board member.

The bill reduces the minimum number of representatives per municipalities to two, but requires one of them to be the municipality's CEO, or his or her designee. By law, municipalities with over 25,000 people are entitled to one additional representative for each additional 50,000 people or fraction thereof.

EFFECTIVE DATE: Upon passage

Section 95— FORECLOSURE MEDIATION

Under current law, courts must issue a foreclosure mediation notice not later than three days after the mortgagee returns the foreclosure writ to the court. The bill specifies that the notice must be provided not later than three business days after the date the mortgagee returns the writ.

By law, the court's mediation date notice must be issued to all appearing parties within five business days after the return date. The bill requires the court to issue the date notice three business days after the court receives the mortgagor's appearance and foreclosure mediation certificate forms, if this is later. As under current law, the court cannot schedule mediation if it has not received these forms by 15 days after the return date.

By law, the court may refer a foreclosure action brought by a mortgagee to the mediation program at any time as long as the mortgagor has filed an appearance. The bill requires the court to follow the same timeline as would be applicable if the mediation had been formally requested. Specifically, no more than three business days after making the referral, the court must send notice to the appearing parties scheduling the first mediation session within 15 days of the referral.

EFFECTIVE DATE: Upon passage

Section 96 — MORTGAGE LAW PROHIBITED ACTIONS

PA 09-209 prohibits any person subject to the mortgage licensing law from taking a number of actions relating to fraud, deceptive practices, false statements, and acting without a license. The bill specifies that these prohibitions apply to people who are subject to the laws and required to be licensed under them.

EFFECTIVE DATE: Upon passage

Sections 97-99 — NONPRIME LOAN PROHIBITED PROVISIONS

Public Act 09-207 sets out new prohibited provisions in nonprime loans and renders any such provision in a nonprime loan void and unenforceable. The bill specifies that such provisions are void only if the lender received the application on or after October 1, 2009. The bill specifies that the nonprime loan definition and prohibited provisions in effect as of January 1, 2009 (i. e. , the law in effect before PA 09-207's passage) apply to loans for which a lender receives an application before October 1, 2009.

Current law generally prohibits lenders from making nonprime loans originated on or after January 1, 2010 unless the lender collects a monthly escrow payment. The bill instead specifies that this provision applies to nonprime loans for which the lender receives an application on or after April 1, 2010.

EFFECTIVE DATE: Upon passage, except for the section on the provisions in nonprime loans with applications on or after October 1, 2009, which is effective Upon passage.

Section 100— PROVISIONS PROHIBITED IN ALL LOANS

PA 09-207 prohibits mortgage lenders from including provisions in mortgage loans that increase the interest rate as a result of default, except for increases resulting from failure to comply with an automatic electronic payment feature, if the feature was provided in return for an interest rate reduction, and the increase is no greater than the reduction. The bill specifies that this prohibition only applies when the application is received by the lender on or after October 1, 2009.

EFFECTIVE DATE: Upon passage

Section 102 — RECOMMENDATIONS FOR CONSOLIDATING TOURISM DISTRICTS

The bill requires the Connecticut Commission on Culture and Tourism (CCCT) to recommend how the five regional tourism districts can be consolidated into three. At a minimum, the recommendations must address the districts' composition, the number of members that should serve on the districts' boards of directors, and the process for creating and approving district budgets. CCCT must report its recommendations to the Appropriations and Commerce Committees by December 1, 2009.

EFFECTIVE DATE: Upon passage

Section 103 — AGRICULTURE VIABILITY ACCOUNT

Under PA 09-3, JSS, $ 500,000 was transferred in FY 10 from the agriculture viability subaccount of the community investment account (CIA) to the General Fund. The bill eliminates this transfer. By law, money from the CIA funds the farm viability matching grant. The grant may be used for (1) local capital projects that foster agricultural viability, including, processing facilities and farmers' markets; (2) the development and implementation of agriculturally friendly land use regulations and local farmland protection strategies that sustain and promote local agriculture; and (3) the development of new marketing programs and venues through or in which a majority of products sold are state grown. (The CIA is funded by the fee people pay town clerks for each document recorded in municipalities' land records (see BACKGROUND, sections 43, 61)).

EFFECTIVE DATE: Upon passage

Sections 109-112 — TRANSFER OF TECHNOLOGY PROGRAMS

The bill transfers, from the Office of Workforce Competitiveness to Connecticut Innovations, Inc. (CII), the responsibility to coordinate the development and implementation of state and quasi-public agency strategies on technology-based talent and innovation. By law, this responsibility includes creating a state clearinghouse and technical assistance function to help applicants develop small business innovation research programs in conformity with a relevant federal program and other proposals.

By law, CII must provide funding for the Connecticut Small Business Innovation Research Office. The bill specifies that CII must provide funding for the office's operations and that it do so as part of its coordination role described above.

The bill makes conforming changes.

EFFECTIVE DATE: Upon passage

Section 117 — TOURISM DISTRICT FUNDING

The bill sets deadlines by which the $ 1. 8 million the budget appropriates to the current five regional tourism districts must be distributed. The appropriation is part of the budget for the Connecticut Commission on Culture and Tourism. The bill requires $ 900,000 to be equally distributed among the districts by December 31, 2009 and the remaining $ 900,000 to be equally distributed among them by June 30, 2010. Table 2 identifies the towns comprising the five districts.

EFFECTIVE DATE: Upon passage

Sections 156, 163, & 187 — ELIMINATION OF OFFICE OF OMBUDSMAN FOR PROPERTY RIGHTS

The bill eliminates the Office of Ombudsman for Property Rights, which under current law must:

1. develop expertise in the law regarding taking private property;

2. assist public agencies in applying eminent domain law and analyzing actions with potential eminent domain implications, on request;

3. assist property owners, on request, concerning eminent domain procedures;

4. identify government actions with potential eminent domain implications and advise agencies, as appropriate;

5. inform the public about eminent domain laws and their rights;

6. mediate disputes between private property owners and public agencies concerning eminent domain or relocation assistance and hire an independent real estate appraiser to assist in mediation, within available appropriations; and

7. recommend changes in eminent domain laws to the legislature.

The office is within OPM for administrative purposes only.

The bill eliminates:

1. the position of ombudsman for property rights, who acts as the office's director and is designated as a department head (he is appointed by the governor with the consent of either house of the General Assembly);

2. the office's separate nonlapsing account in the General Fund;

3. requirements that public agencies (a) comply with the office's reasonable requests for information and assistance and (b) participate in mediation if requested to do so by the office;

4. restrictions governing office employees including prohibiting them from knowingly accepting employment with a public agency with eminent domain powers or entities authorized to use eminent domain on their behalf for one year after leaving the office; and

5. requirements that public agencies seeking to acquire property by eminent domain (a) make a reasonable effort to negotiate with the property owner to buy the property before starting an eminent domain action and (b) provide the property owner with information about the ombudsman.

Statement of Compensation

The bill eliminates provisions on the property rights ombudsman reviewing a statement of compensation for a taking under the redevelopment statutes or other takings that follow the procedures in the redevelopment statutes. The statement of compensation describes the property and the amount the agency offers to pay for it. It goes to the property's owner, who can appeal the agency's description and offer to Superior Court.

The bill eliminates the option for the court to refer the statement to the ombudsman if the parties to the appeal file a motion to that effect. The bill eliminates the provisions that make the ombudsman's duties the same as those of the trial judge referee reviewing a statement.

EFFECTIVE DATE: Upon passage

Sections 165-166 — CAPITAL CITY ECONOMIC DEVELOPMENT AUTHORITY (CCEDA)

Executive Director

The bill requires CCEDA's executive director to be an Office of Policy and Management (OPM) staff member and simultaneously eliminates the authority of CCEDA's board to appoint the director. It also designates the executive director as (1) CCEDA's chief administrative officer and (2) project comptroller for the Adriaen's Landing project. By law, the OPM secretary must designate the project comptroller from his senior staff. As under current law, the executive director cannot be a board member.

EFFECTIVE DATE: July 1, 2010

Public Act# 09-2 **June Special Session** **HB# 6801**

AN ACT AUTHORIZING ECONOMIC RECOVERY NOTES

SUMMARY:

The bill authorizes the state to issue economic recovery notes to fund (1) the FY 09 General Fund deficit, (2) the interest payable or accrued on the notes through June 30, 2011, and (3) the costs of

their issuance. The notes are state general obligations and must mature before July 1, 2016. The bill exempts the debt attributable to the notes from the statutory limit on state General Fund-supported debt (see BACKGROUND).

The bill overrides the statutory requirement that money in the Budget Reserve ("Rainy Day") Fund be deemed appropriated to cover the FY 09 deficit. In addition, if the comptroller determines there is an unappropriated General Fund surplus at the end of any fiscal year from FY 10 through FY 17, the bill requires that surplus to be first used to redeem any outstanding economic recovery notes before they mature. Under current law, such surpluses must go first to the Budget Reserve Fund and then, once the fund balance reaches 10% of net General Fund appropriations for the current fiscal year, towards (1) the State Employees Retirement Fund's unfunded liability and (2) paying off outstanding state debt.

The bill requires the comptroller to certify the FY 09 deficit amount to the treasurer "promptly" after the bill's passage based on her most recent monthly report of the state's fiscal condition. The comptroller's certification provides conclusive evidence of the amount of economic recovery notes the treasurer can issue. When the comptroller knows the final deficit, she must certify that amount to the treasurer. If the final amount is greater than the initial amount certified, the bill authorizes the treasurer to issue additional notes to cover the difference.

Finally, the bill incorporates and applies to the economic recovery notes various statutory provisions relating to issuing state general obligation bonds and notes, including provisions concerning the treasurer's authority to make agreements and promises relating to issuing and repaying the notes, and the procedure for, and state defenses in, any bond holder lawsuit under contracts, agreements, and covenants relating to the notes.

EFFECTIVE DATE: Upon passage

Public Act# 09-3 **June Special Session** **HB# 6802**

AN ACT CONCERNING EXPENDITURES AND REVENUE FOR THE BIENNIUM ENDING JUNE 30, 2011

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective from passage*) The following sums are appropriated for the annual period as indicated for the purposes described.

GENERAL FUND 2009-2010

COMMISSION ON CULTURE AND TOURISM	
Personal Services	2,726,406
Other Expenses	857,658
Equipment	100

State-Wide Marketing	1
Connecticut Association for the Performing Arts/ Shubert Theater	406,125
Hartford Urban Arts Grant	406,125
New Britain Arts Alliance	81,225
Film Industry Training Program	250,000
Ivoryton Playhouse	47,500
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS	
Discovery Museum	406,125
National Theatre for the Deaf	162,450
Culture, Tourism, and Arts Grant	2,000,000
CT Trust for Historic Preservation	225,625
Connecticut Science Center	676,250
PAYMENTS TO LOCAL GOVERNMENTS	
Greater Hartford Arts Council	101,531
Stamford Center for the Arts	406,125
Stepping Stone Child Museum	47,500
Maritime Center Authority	570,000
Basic Cultural Resources Grant	1,500,000
Tourism Districts	1,800,000
Connecticut Humanities Council	2,256,250
Amistad Committee for the Freedom Trail	47,500
Amistad Vessel	406,125
New Haven Festival of Arts and Ideas	855,000
New Haven Arts Council	101,531
Palace Theater	406,125
Beardsley Zoo	380,000
Mystic Aquarium	665,000
Quinebaug Tourism	50,000
Northwestern Tourism	50,000
Eastern Tourism	50,000
Central Tourism	50,000
Twain/Stowe Homes	102,600
AGENCY TOTAL	18,090,877

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	
Personal Services	7,406,307
Other Expenses	1,505,188
Equipment	100
Elderly Rental Registry and Counselors	598,171
Small Business Incubator Program	650,000
Fair Housing	325,000
CCAT - Energy Application Research	100,000
Main Street Initiatives	180,000
Residential Service Coordinators	500,000
Office of Military Affairs	161,587
Hydrogen/Fuel Cell Economy	237,500
Southeast CT Incubator	250,000
CCAT-CT Manufacturing Supply Chain	400,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS	
Entrepreneurial Centers	135,375
Subsidized Assisted Living Demonstration	1,709,000
Congregate Facilities Operation Costs	6,884,547
Housing Assistance and Counseling Program	438,500
Elderly Congregate Rent Subsidy	2,284,699
CONNSTEP	800,000
Development Research and Economic Assistance	237,500
PAYMENTS TO LOCAL GOVERNMENTS	
Tax Abatement	1,704,890
Payment in Lieu of Taxes	2,204,000
AGENCY TOTAL	28,712,364

Sec. 11. (*Effective from passage*) The following sums are appropriated for the annual period as indicated for the purposes described.

GENERAL FUND 2010-2011

COMMISSION ON CULTURE AND TOURISM	
Personal Services	2,726,406
Other Expenses	857,658

Equipment	100
State-Wide Marketing	1
Connecticut Association for the Performing Arts/ Shubert Theater	406,125
Hartford Urban Arts Grant	406,125
New Britain Arts Alliance	81,225
Film Industry Training Program	250,000
Ivoryton Playhouse	47,500
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS	
Discovery Museum	406,125
National Theatre for the Deaf	162,450
Culture, Tourism, and Arts Grant	2,000,000
CT Trust for Historic Preservation	225,625
Connecticut Science Center	676,250
PAYMENTS TO LOCAL GOVERNMENTS	
Greater Hartford Arts Council	101,531
Stamford Center for the Arts	406,125
Stepping Stone Child Museum	47,500
Maritime Center Authority	570,000
Basic Cultural Resources Grant	1,500,000
Tourism Districts	1,800,000
Connecticut Humanities Council	2,256,250
Amistad Committee for the Freedom Trail	47,500
Amistad Vessel	406,125
New Haven Festival of Arts and Ideas	855,000
New Haven Arts Council	101,531
Palace Theater	406,125
Beardsley Zoo	380,000
Mystic Aquarium	665,000
Quinebaug Tourism	50,000
Northwestern Tourism	50,000
Eastern Tourism	50,000
Central Tourism	50,000
Twain/Stowe Homes	102,600
AGENCY TOTAL	18,090,877

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	
Personal Services	7,514,161
Other Expenses	1,505,188
Equipment	100
Elderly Rental Registry and Counselors	598,171
Small Business Incubator Program	650,000
Fair Housing	325,000
CCAT - Energy Application Research	100,000
Main Street Initiatives	180,000
Residential Service Coordinators	500,000
Office of Military Affairs	161,587
Hydrogen/Fuel Cell Economy	237,500
Southeast CT Incubator	250,000
CCAT-CT Manufacturing Supply Chain	400,000
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS	
Entrepreneurial Centers	135,375
Subsidized Assisted Living Demonstration	2,166,000
Congregate Facilities Operation Costs	6,884,547
Housing Assistance and Counseling Program	438,500
Elderly Congregate Rent Subsidy	2,389,796
CONNSTEP	800,000
Development Research and Economic Assistance	237,500
PAYMENTS TO LOCAL GOVERNMENTS	
Tax Abatement	1,704,890
Payment in Lieu of Taxes	2,204,000
AGENCY TOTAL	29,382,315

SUMMARY:

This bill appropriates funds for state agencies and programs for FY 10 and FY 11. It also increases taxes and makes other revenue changes.

A full summary of the bill's budget provisions (sections 1-87) may be found in the Office of Fiscal Analysis fiscal note. An analysis of the bill's revenue provisions (secs 88-486) appears below.

Sections 90 & 91 – ECONOMIC NEXUS FOR CORPORATION AND INCOME TAX

The bill establishes "economic nexus" as the basis for determining whether an out-of-state business is subject to the Connecticut corporation tax, if it is a C corporation, or whether nonresident partners or members of a partnership or S corporation are subject Connecticut income tax on income from the business. This change could, for example, extend tax liability to such out-of-state financial services companies as credit card companies, mortgage lenders, automobile finance companies, and online financial services companies.

Under current law, an out-of-state corporation that has no physical presence in the state (i. e. , no property or payroll here) is not liable for the state corporation tax. To the extent allowed by the U. S. Constitution, this bill subjects such a company to the corporation tax if, instead of a physical presence, it has a substantial economic presence here or derives income from sources in the state. The bill requires such a corporation to apportion its gross income between Connecticut and the other states where is does business according to Connecticut law.

Likewise, under current law, members and partners in an out-of-state S corporation or partnership are not subject to the Connecticut personal income tax if they derive no income from sources within or connected to Connecticut. This bill, to the extent allowed by the U. S. Constitution, subjects such members or partners to the state income tax if their company is doing business here. Under the bill, having a substantial economic presence in Connecticut is deemed to show that a partnership or S corporation is doing business here.

Under the bill, a company has "substantial economic presence" in Connecticut if it purposefully directs business towards the state. Its purpose can be determined by such measures as the frequency, quantity, and systematic nature of its economic contact with the state.

EFFECTIVE DATE: Upon passage and applicable to income and taxable years starting on or after January 1, 2010.

Sections 94 & 102 — CORPORATION TAX SURCHARGE

The bill imposes a 10% corporation tax surcharge for income years beginning in 2009, 2010, and 2011. The surcharge does not apply to companies (1) with less than $ 100 million in annual gross revenues for any of these years or (2) whose tax liability does not exceed the $ 250 minimum tax. Companies that file combined or unitary returns for the income year are not eligible for the gross revenue exemption.

A company must calculate its surcharge based on its tax liability excluding any credits. The surcharge is due, payable, and collectible as part of each company's total tax for the year and applies both to companies that pay the tax on their net income and those that pay on their capital base.

EFFECTIVE DATE: Upon passage and applicable to income years starting on or after January 1, 2009.

Sections 97-101 & 485 – FILM AND DIGITAL ANIMATION PRODUCTION AND INFRASTRUCTURE INVESTMENT TAX CREDITS

Credit Administration

Transfer of Powers and Duties. The law establishes tax credits against the corporation and insurance premium taxes for film and digital animation production and infrastructure investment related to both. The bill transfers the administration of the credits from the Connecticut Commission on Culture and Tourism (CCCT) to the Department of Economic and Community Development (DECD). It transfers to DECD the CCCT's powers and duties concerning digital media and motion picture promotion activities. It also requires state agencies and institutions that contract for digital media or film productions to send copies of their requests for proposals to DECD, rather than CCCT.

Interim Film Production Tax Credit. The bill eliminates a company's ability to obtain an interim film production tax credit. It does this by eliminating the process that allows a company to apply for a tax credit voucher while a production is in progress, starting three months after submitting its eligibility application, for its expenses up to that time. It continues to allow a production company to apply for and receive credits on an annual basis or after it incurs its last production expense.

Cost Certification. A film production or digital animation company must provide independent certification of the amount of its production expenses and costs when it applies for a tax credit voucher. The bill requires the production company to use an audit professional, chosen from a list DECD compiles, to provide the independent certification.

Administrative Fee. The bill requires the DRS commissioner to charge a reasonable administrative fee for the film production, digital animation, and infrastructure tax credits. The fee must be sufficient to cover the DECD's costs in analyzing applications. (COMMENT: Although tax credit applications are submitted to DECD, the bill requires the DRS commissioner to charge a fee sufficient to cover DECD's costs).

Reporting Requirement. CCCT must to report to the General Assembly every two years on its digital media and movie production promotion activities, the economic impact of all productions, and the impact of each state-assisted production. The bill transfers the reporting requirement to DECD; requires that DECD report annually, starting by January 1, 2010; and requires the department to submit the report to the Commerce and Finance, Revenue and Bonding committees instead of the whole General Assembly.

It eliminates a requirement that the report include the impact of each state-assisted production and instead requires that it include (1) an analysis of all three credits and (2) for each project or production issued a tax credit, (a) a description of the project, (b) the amount of the credit, (c) the total production expenses or costs the taxpayer issued the credit incurred in the state, and (d) any other information the Commerce or Finance committee chairpersons request.

Explanatory Guide. As part of its film-related powers and duties, CCCT must prepare an explanatory guide for producers that shows the impact of relevant state and municipal tax statutes, regulations, and administrative opinions on typical production activities, and includes an explanation of the film production tax credit. The bill transfers this duty to DECD, along with CCCT's other film-related powers and duties, and additionally requires that it include an explanation of all three credits.

Limits on Post-Certification Remedies. Under current law, once CCCT issues a film production, digital animation, or infrastructure tax credit voucher, CCCT and the DRS commissioner cannot require a post-certification remedy. This means that credits cannot be recaptured, disallowed,

recovered, reduced, repaid, forfeited, decertified, or subject to any other remedy that reduces or limits the credit amounts stated on the voucher.

Current law limits CCT's and the DRS commissioner's power to further audit or examine the expenses on which the credits are based unless there is the possibility of material misrepresentation or fraud. If the company made material misrepresentations or committed fraud in its expense report and those actions resulted in inflated or inaccurate tax credits, currently CCCT and the DRS commissioner have the sole remedy of recovering the amount of the credits from the production company itself and not from any other company to which the production company transferred the credits.

The bill restricts this limit on post-certification remedies and audits to transferred credits. Consequently, it allows DECD and the DRS commissioner to apply a post-certification remedy to credits that have been issued. The bill gives DECD and the DRS commissioner the sole remedy of recovering the amount of the credits from any entity that committed the fraud or misrepresentation.

Under current law, any qualified production company that willfully submits false or fraudulent information for purposes of the film production and digital animation credits is liable for a financial penalty equal to the credit amount, in addition to any other penalties already provided by law. The bill eliminates the requirement that the production company be liable if it willfully submits the false or fraudulent information.

Qualified Productions

The bill makes infomercials ineligible for the film production tax credit.

Tax Credit Amounts

Film and Digital Animation Production. Current law gives qualifying companies tax credits against the corporation and insurance premium taxes equal to 30% of the eligible costs they incur in Connecticut for film and digital animation productions. Currently, a company is eligible for the credits if it incurs at least $ 50,000 in eligible production expenses in the state.

For income years starting January 1, 2010, the bill increases the minimum expenditure for both credits to $ 100,000 and makes the credit amount dependant on the production's total expenses or costs. Production companies incurring production expenses or costs (1) between $ 100,000 and $ 500,000 are eligible for a 10% credit, (2) between $ 500,000 and $ 1 million are eligible for a 15% credit, and (3) over $ 1 million continue to be eligible for a 30% credit.

Infrastructure Investments. Under current law, the credit amounts for infrastructure investments in the film and digital media industry depend on the project's cost. Projects costing at least (1) $15,001 qualify for a 10% credit, (2) $150,000, a 15% credit, and (3) $1 million, a 20% credit.

Starting January 1, 2010, the bill makes the credit a flat 20% and increases the minimum qualifying expenditure to $3 million. It also requires that the project be 100%, rather than at least 60%, complete before it can receive a tax credit voucher.

Eligible and Ineligible Production Expenses

In-State Expenditures. In addition to minimum expenditure requirements, starting January 1, 2010, the bill requires that a production company conduct at least 50% of its principal photography days in the state to be eligible for the film production tax credit.

Out-of-State Expenditures. Current law allows a company to count 50% of the production expenses it incurs outside the state and 100% of the expenses it incurs in the state towards the film production credit if they are used in the state. This applies from January 1, 2009 to January 1, 2012, after which no out-of-state expenses count towards the credit. The bill moves up the phase-out date, to January 1, 2010, for out-of-state production expenses.

Star Salaries. Under current law, the first $ 15 million paid to a single person, or the person's representative (i. e., star talent), for services on a film or digital media production counts as a credit-eligible expense. Anything over this amount does not. Starting January 1, 2010, the bill limits credit-eligible compensation for all star talent featured in a film or digital media production to $ 20 million in the aggregate and requires that the compensation be subject to Connecticut personal income tax.

Audit Costs. The bill excludes any costs related to an independent audit of film or digital animation production project costs and expenses that DECD requires before certification.

EFFECTIVE DATE: Upon passage and applicable to income years starting on or after January 1, 2010.

Public Act# 09-8 **September Special Session** **SB# 2052**

AN ACT IMPLEMENTING THE PROVISIONS OF THE BUDGET CONCERNING REVENUE

SUMMARY:

This bill makes various statutory changes to implement the revenue provisions of the state budget and tax package for FY 10 and FY 11 (PA 09-3, June Special Session).

A summary of DECD related items appears below.

Sections 1-5 – FILM PRODUCTION AND DIGITAL ANIMATION TAX CREDITS

The bill makes minor and technical changes to the film industry tax credits. The bill expands the eligibility for the film production credit, which could result in a revenue loss associated with increased credit claims. The bill also limits the eligibility of the digital animation production tax credit, which could result in a savings associated with a decreased number of companies meeting the requirement that 50 percent of post-production costs occur in Connecticut. The fiscal impact of these changes depends on the magnitude of both the potential revenue loss and savings.

Production Company Credit Eligibility Requirements

The bill expands eligibility for a film production credit on and after January 1, 2010 by making a production company eligible if it either (1) conducts at least 50% of its principal photography days in Connecticut or (2) spends at least 50% of a film's post-production costs here. Under PA 09-3, June Special Session, starting January 1, 2010, a production company is eligible only if it meets the 50% threshold for principal photography days in the state.

Minor and Technical Changes

Starting January 1, 2010, PA 09-3, June Special Session, replaces the state's flat 30% tax credit for qualifying film production and digital animation expenditures over $50,000 with tiered credits of 10% for expenditures between $100,000 and $500,000; 15% for expenditures of between $500,000 and $1 million; and 30% for expenditures over $1 million. Credits can be claimed in the year the eligible expenditures are made or carried forward for up to the three following income years.

This bill (1) makes a technical change in the expenditure range for the 15% credits and (2) specifies that a statutory provision allowing a taxpayer to carry forward his available credits for the three years following the year in which the eligible expenditures are made applies to all or part of the credits.

EFFECTIVE DATE: Upon passage

Section 7 – GREEN BUILDINGS TAX CREDIT

Fiscal Impact

The bill is anticipated to result in a General funds revenue loss to the corporation business tax of up to $25 million per year beginning FY 13.

Credits

Starting with income years beginning on or after January 1, 2012, this bill allows the state to establish a corporation tax credit for taxpayers who build buildings that meet certain energy and environmental standards (“green buildings”). It gives the Office of Policy and Management (OPM) secretary discretion on whether to issue vouchers allowing taxpayers to claim the credits. It limits the credits for all projects to $25 million.

Under the bill, eligible projects could receive a base credit that increases with the project's green rating and allows additional credits for mixed-use projects and those located in certain areas. Taxpayers could claim only 25% of the credit in any tax year, with the remainder allowed to be carried forward for up to five years. The credits would be transferrable and assignable.

Eligible Projects and Allowable Costs

Under the bill, an eligible project would be a real estate development located in the state that is designed to meet or exceed the applicable Leadership in Energy and Environmental Design (LEED)

Green Building Rating System gold certification or equivalent standard as determined by the environmental protection commissioner. To be eligible, the project would be required to have energy use of no more than (1) 70% of the energy use permitted by the State Building Code for new construction or (2) 80% of the energy use permitted by the state energy code for renovation or rehabilitation of a building. In addition, the project would have to use equipment and appliances that meet Energy Star standards, if applicable, for such things as refrigerators, dishwashers and washing machines. If a development consisted of more than one building, only those buildings that meet these standards would be eligible for the credit. In the case of a newly constructed building, the credits would apply to buildings that receive a certificate of occupancy on or after January 1, 2010.

To count towards the credit, a development cost would have to be chargeable to the project's capital account. These allowable costs include, among others:

1. construction or rehabilitation costs;

2. commissioning costs;

3. architectural and engineering fees that can be allocated to construction or rehabilitation, including energy modeling;

4. site costs, such as temporary electric wiring, scaffolding, demolition costs, and fencing and security facilities; and

5. costs of carpeting, partitions, walls and wall coverings, ceilings, lighting, plumbing, electrical wiring, mechanical, heating, cooling and ventilation.

The purchase of land, any remediation costs, and the cost of telephone systems or computers would not be allowable costs. The bill caps allowable costs at $250 per square foot for new construction and $150 per square foot for building renovation or rehabilitation.

Base and Supplemental Credits

The LEED rating system has four levels: certified, silver, gold, and platinum, with a building's rating depending on its number of green features.

Under the bill, the base credit for new construction or major renovation of a building (but not other site improvements) that receives a gold rating under LEED would be 8% of allowable costs and for a platinum rating, 10. 5% of such costs. For core and shell or commercial interior projects, the credit would be 5% of allowable costs for a gold rating and 7% for a platinum rating. In all cases, the credit would be the same for the equivalent rating under an alternative rating system, as determined by the environmental protection commissioner.

In addition, a project would receive a credit of 0. 5% of its allowable costs if it:

1. was a mixed use development, i. e. , one consisting of one or more buildings that includes residential use and in which no more than 75% of the interior square footage has at least one of the following uses: (a) commercial; (b) office; (c) retail; or (d) any other nonresidential use that the

Office of Policy and Management (OPM) secretary determines does not pose a public health threat or nuisance to nearby residential areas;

2. was located in an enterprise zone or brownfield, as defined by statute;

3. did not require a sewer line extension of more than one-eighth mile; or

4. was located within walking distance of a public bus service or within one-half mile of adequate rail, light rail, streetcar, or ferry service. (In the case of multi-building projects, at least one of the buildings must meet this criterion).

Credit Issuance

The OPM secretary could issue an initial credit certificate if he determined that the applicant is likely, within a reasonable time, to place in service property that would be eligible for a credit. The certificate must state (1) the first income year for which the credit may be claimed; (2) the maximum credit allowable; and (3) an expiration date by which such property must be placed in service, which the secretary may extend at his discretion. The certificate must reserve the credit allowable for the applicant named in the application until the expiration date. The secretary could extend the reservation at his discretion, if he extends the expiration date. The secretary could not issue initial credit certificates for more than $ 25 million in the aggregate.

The taxpayer must obtain an eligibility certificate for each taxable year for which he or she claims a credit. The taxpayer must obtain this certificate from an architect or licensed professional engineer accredited through the LEED Accredited Professional Program or program the environmental protection commissioner determines to be equivalent. The document must certify, under the architect's or engineer's seal, that the building, base building, or tenant space for which the credit is claimed meets or exceeds the applicable green building rating system gold certification (or other certification the commissioner considers equivalent) that was in effect when the building was certified. The certification must include the specific findings upon which it is based. It must state that the architect or engineer is accredited through the accredited professional program.

To obtain the credit, the applicant must file (1) the initial credit voucher, (2) the eligibility certificate, and (3) an application to claim the credit with the revenue services commissioner. The applicant must send a copy of the documents to the OPM secretary.

Credit Transfers

Under the bill, credits may be assigned or otherwise transferred. A project owner may transfer a credit to a pass-through partner in return for a lump sum payment. (This approach can be used if the project owner is a nonprofit, among other situations).

Any subsequent successor in interest to the property that is eligible for a credit may claim it if the deed transferring the property assigns the successor this right, unless the deed specifies that the seller retains the right to claim the credit. Any subsequent tenant of a building for which a credit was granted may claim it for after the termination of the previous tenancy that the credit would have been allowable to the previous tenant.

Regulations and Reporting

The bill requires the OPM secretary, in consultation with the revenue services (DRS) commissioner, to adopt regulations, by January 1, 2011, to implement the bill. It requires the secretary to establish a uniform application fee of up to $ 10,000 to cover all direct costs of administering the tax credit program. It allows the secretary to hire a private consultant or outside firm to administer and review applications for the program.

The bill requires the secretary, in consultation with the commissioner, to report to the governor and Planning and Development and Finance, Revenue and Bonding committees by July 1, 2013 on (1) the number of taxpayers applying for the credits, (2) the amount of credits granted, (3) the geographical distribution of the granted credits, and (4) any other information the secretary considers appropriate. A preliminary draft report must be submitted to the governor and the committees by July 1, 2012.

Background - LEED Rating System

The U.S. Green Building Council has established rating systems for a variety of developments. There are separate rating systems for new, and major renovations of, commercial, institutional, and government buildings; commercial building interiors; the core and shell of commercial buildings, which covers such elements as the building envelope and heating, ventilation, air conditioning systems; retail establishments; and health care facilities. LEED addresses a building's performance in five areas: sustainable site development, water savings, energy efficiency, material selection, and indoor environmental quality. Participating buildings can be rated as certified, silver, gold, or platinum.

EFFECTIVE DATE: Upon passage

Section 16–FINANCIAL ASSISTANCE TO THE STEEL POINT PROJECT IN BRIDGEPORT

Fiscal Impact

The bill does not result in a direct fiscal impact as it does not authorize additional bonds for the Steel Point Project. However, to the degree that General Obligation bond funds are expended more rapidly than they otherwise would have been, this change will increase debt services costs in future years.

Bill Analysis

The bill allows the Department of Economic Development, the Connecticut Development Authority (CDA), and Connecticut Innovations, Inc. (CII) to provide up to $40 million in financial assistance from existing programs to the Steel Point project in Bridgeport between January 1, 2010 and June 30, 2012. The assistance must be used for development and improvements to property in Bridgeport.

The assistance may be in form of grants, loans, loan guarantees, insurance contracts, investments, or a combination of these and may be provided from proceeds from sales of bonds, notes, or other debt issued by the state, CDA, or CII. By law, any such financial assistance exceeding $10 million over a

two-year period for any applicant or business project must be expressly authorized by the General Assembly.

EFFECTIVE DATE: Upon passage

Public Act# 09-6 **September Special Session** **SB# 2053**

AN ACT IMPLEMENTING THE PROVISIONS OF THE BUDGET CONCERNING EDUCATION, AUTHORIZING STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS, AND MAKING CHANGES TO THE STATUTES CONCERNING SCHOOL BUILDING PROJECTS AND OTHER EDUCATION STATUTES

SUMMARY:

This bill approves grant commitments for local school construction projects and makes various changes in statutes relating to school construction projects. It also adopts provisions to implement the FY 10-11 state budget relating to education and education grants. Finally, it makes changes in education statutes dealing with, among other things, (1) interdistrict magnet schools, (2) early childhood education and school readiness programs, (3) an education and mentoring program for beginning teachers, (4) substitute teachers, (5) school dropouts, (6) in-school suspension, and (6) the Connecticut Independent College Student grant.

A summary of DECD related items appears below.

EFFECTIVE DATE: Upon passage

Section 34 — GRANT FOR THE CHILDREN'S MUSEUM OF WEST HARTFORD

The bill reverses changes made in the bond bill (HB 7004) to the language of an existing bond authorization for a $ 500,000 grant for the Children's Museum of West Hartford.

This bill designates the town of West Hartford, rather than the Children's Museum of West Hartford, as the grant recipient. It also limits the grant's purposes to site acquisition and improvements for the Science Center of Connecticut, instead of also allowing funds to be used for planning and development, including site acquisition, construction, renovation, capital equipment, improvements, and relocation.